EIGHT PAGES FROM SUNDAY'S
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INSIDE TODAY

THE JERUSALEM POST

Monday, March 30, 1981 | VOL. LI, No. 15189 | IS4.50

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Egypt registers sharp protest

New canal to start from Gaza Strip

Jerusalem Post Staff

The $750 million salt water canal run from the Mediterranean Sea the Dead Sea will start at the uthern end of the Gaza Strip ther than at Zikkim near shkelon, the cabinet decided esterday in approving the canal's ute.

Energy Minister Yitzhak Moda'i d Finance Minister Yoram idor will have ministerial respon-ility for establishing a state cor-ration to construct and operate e canal. Earthwork on the project likely to begin at a special remony shortly before the Knes-t elections on June 30, *The rusalem Post* has learned. onstruction will take eight to ten ars.

When the government decided t August to build the canal for the rpose of generating hydro-ctricity, it left open the option of ng a route to by-pass the Gaza ip because of "possible inter-tional complications." Such a ute would have cost an additional imated $40m.

It was feared that Egypt would im that Israel was exceeding its hts as an occupying power by ilding a canal across the Strip. t a spokesman for the Energy nistry said yesterday: "We have estigated the problem and we lieve there is no question of the cision being against international w." He added that, in any case, canal would pass in an un-rground pipe across the Strip.

The cabinet decision is the first one impinging on the new legal status of the Gaza Strip as "non-occupied territory" in the wake of the peace treaty with Egypt, according to Yoram Dinstein, rector and professor of international law at Tel Aviv University.

Dinstein last night said: "The territory was conquered by Israel from Egypt, but now the two countries have signed a peace agreement which defines the status of the area as part of an autonomy scheme. Thus the two countries are no longer belligerents and the territory is no longer occupied."

Moda'i said on Army Radio yesterday that most of the financing for the project will come from foreign investors.

In Cairo, Egypt condemned the decision to dig the canal as a violation of the rights of Palestinians in occupied territories.

"This decision is a violation of the spirit of the Egyptian-Israeli peace treaty as well as the UN Charter and resolutions, said State Minister for Foreign Affairs Butros Ghali.

"It also violates the Geneva conventions which govern conditions in occupied lands," he said.

Ghali said, "occupied Palestinian soil should not be tampered with. The rights of Palestinians in occupied lands should not be touched."

Ghali said the Egyptian government "takes a very serious view" of the Israeli decision and is studying it in all its aspects.

This unidentified woman, one of four hijackers of a Honduran airliner, covers her face with a towel in the office of the chief of the Panamanian air force after they surrendered there. Story — Page 4. (UPI telephoto)

Eitan warns of flare-up if Lebanese army moves south

Jerusalem Post Staff and Agencies

KIRYAT SHMONA. — If the Lebanese army moves down into South Lebanon in order to change the status quo, the result may be a flare-up of fighting, Chief of Staff Rafael Eitan told an audience at the Tzavta Club here last night.

Eitan said the Lebanese army cannot be counted on to set up a barrier between the south and the terrorists. That is why there is great sensitivity on the problem, he said.

He declined comment on the statement of the new UNIFIL commander, Major-General William Callaghan, that the Lebanese army would be moving to the south.

Christian militia leader Major Sa'ad Haddad said yesterday that he would use force to prevent further deployment of the Lebanese army in South Lebanon.

In an Israel Radio interview, Haddad said he would agree to a freeze in the present situation where a Lebanese army unit is stationed in Kantara village, but if more forces were sent to the mainly Christian enclave, there would be a violent reaction.

"The planned deployment of the Lebanese army in Barashit and Shakra villages will be sufficient cause for us to start a military operation," he said.

Militias under his control have the ability to attack the Lebanese army and those who want to help them, Haddad claimed.

Haddad denounced Callaghan, for "dividing the enclave and supporting Syrian interests in Lebanon" and called for his immediate replacement.

Callaghan, meanwhile, has rejected threats to his role in the troubled area, saying he does not like "somebody holding a big stick over my head."

In an Israel Radio interview broadcast on Saturday, Callaghan said he wanted to cooperate with all parties to restore peace to the area where his force has clashed with the Christian militia.

"UNIFIL has a mandate to help restore law and order and support the Lebanese government to establish its authority in South Lebanon," said Callaghan. "That's a well-known mandate, but people

(Continued on page 2, col. 6)

Solidarity under fire as mass strike looms

WARSAW. — Both the official Soviet news agency Tass and a key member of Poland's Communist Party Politburo yesterday denounced the general strike threatened tomorrow by the Solidarity free labour union movement as an attempt to overthrow socialism in Poland.

Tass said Polish conditions were "extremely tense," that Solidarity trade unionists were spreading detailed plans for a general strike and that subversives had blocked roads, tried to seize post offices and a TV transmitter and were working to intimidate police and security agents.

The Tass report from Warsaw was transmitted in the midst of a Polish Communist Party Central Committee meeting, aimed in part at heading off the general strike.

Some Western analysts saw the Soviet report as an ominous new warning that the Kremlin believes the situation in Poland must be changed. Western diplomats here have said in recent days that they believe Moscow is strongly pressuring the Polish leadership to crack down on dissident and labour activists.

Moscow also sharply denounced U.S. President Ronald Reagan for his recent statements on Polish developments. Tass accused Washington of involvement in inciting anti-government forces in Poland, and warned the U.S. to stay out of Eastern Bloc affairs.

Polish Politburo member Kazimierz Barcikowsk opened a crisis plenary session of the party central committee yesterday with a stinging attack on Solidarity, accusing it of a power struggle with the government.

But he also called for dialogue and urged support for the beleaguered government of Prime Minister Wojciech Jaruzelski.

In a major move defying old-style party organization, he also called for sweeping party reforms including democratic elections of authorities, election of more workers and farmers to the party bodies, limitation of terms of office for officials and an increase in the role of basic rank and file party organizations.

In a brief, nationally televised introductory statement, Party leader Stanislaw Kania said that the situation in Poland "causes fear among party members and all Poles (and) anxiety among our friends both in the Socialist bloc and in the whole world."

He asked whether the incident on March 19 in Bydgoszcz, in which unionists were beaten during their eviction by police from the local government building, represented just an isolated incident or a greater problem to the security of the state.

The Bydgoszcz affair, claimed by Solidarity as a deliberate provocation by hardline groups in the party, set off the current confrontation.

The plenum took place during Poland's most severe crisis since the mass strikes of last August, with food supplies running short, Soviet-led Warsaw Pact military exercises continuing in and around the country and government-union negotiations trying to avert the general strike.

Political analysts considered yesterday the crucial day of the crisis, with the outcome of a power struggle between hardline conservatives and moderates who support the months of social change bound to tip the balance on the fate of the nation.

The tough tone of Barcikowski's Politburo report could indicate that the hardliners have wrested away the upper hand from the moderate faction under party boss Kania.

But the invective against Solidarity — echoing the charges made by Tass — contradicted the radical reforms he suggested for party operation.

A Western diplomatic source said, "It could be a smokescreen to prove to Moscow that Kania's team, too, can be tough."

Negotiations between a Solidarity team led by chairman Lech Walesa and a government team headed by Deputy Prime Minister Mieczyslaw Rakowski were adjourned on Saturday until tomorrow, after the results of the plenum are known.

But three working groups set up to examine Solidarity demands on independent farmers unions, changes in the strike pay law and an amnesty of political prisoners, were meeting yesterday. (AP, UPI)

No flats being sold while contractors debate tax cut

By ARYEH WOLMAN
Jerusalem Post Reporter

apartment-buyers on the verge of ning their contracts have been ed to postpone their purchase another three days after the asury and building contractors erday once again failed to reach agreement on reducing housing es.

uilding firms are facing severe idity problems as there have n virtually no sales of apart-nts since a tax cut on building erials was proposed eight days said Zvi Freedman, spokesman the Builders and Contractors ociation.

t yesterday's meeting, Treasury cials rejected a proposal by the ociation to grant tax relief on rtments already built, by return-to the buyer the taxes paid on building materials. "Such a posal would cost the State tens nillions of shekels and would re-re an enormous administrative apparatus," said Mordechai Bareket, head of the customs and excise department.

The contractors for their part rejected a Treasury proposal that they freeze all housing prices for two months in response to the abolition of purchase taxes and excise on building materials. This would reduce the costs of building an apartment by 2.5 per cent, both sides agree, while costs could be cut by another half per cent if customs duty were also abolished.

Instead the contractors have agreed to cut the price of apartments by two shekels for every one shekel cut in taxes. It is likely, however, that prices will rise again after the large increase in the cost of building inputs expected in April.

The Treasury officials, the private contractors and the public building firms decided to meet again tomorrow evening or Wednesday after examining further proposals.

Only four hurt as bomb blast wrecks bus in busy terminus

By MICHAL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — A disaster was narrowly averted yesterday afternoon when a bomb exploded in an Egged bus seconds after it entered the central bus station area crowded with people. The bus driver and three passengers, the last to leave the bus, were lightly wounded and taken to hospital.

Police and border patrol forces cordoned off the area and arrested 10 Arabs for questioning.

Bus no. 605 from Netanya, which goes via Kfar Sava and Petah Tikva, was full of people when it entered Rehov Agra at the terminus at about 2.30 p.m. yesterday.

The parking area was blocked by another Egged bus which had just arrived from Jerusalem, and in which a suspicious suitcase was being examined. The driver of the bus from Netanya, Reuven Hassid, 55, stopped his vehicle in the middle of the street and began to unload the passengers.

Suddenly, a deafening explosion shook the area, blew off the roof of the bus and destroyed the rear. Hassid and three women who had not managed to get off were hurt. The explosive charge, which was of a medium size, was covered with rags and a plastic bag and had been placed on the suitcase rack in the middle of the bus, police sources said.

By yesterday evening, one of the wounded passengers had already been released from Hadassah Hospital, while the others remained for further treatment, hospital sources said.

Bomb thrown at bus near Arab village

REINA (Itim). — A Molotov cocktail was thrown at a Tiberias-bound Egged bus at 8.30 p.m. yesterday while it was passing Reina village near Nazareth. There were no casualties. Police have detained a number of villagers.

Posts strike off

A threatened three-day walk-out by government telecommunications technicians was averted at the last minute late last night.

Representatives of the workers and the government agreed on the terms under which a proposed telecommunications company would operate.

Zipori pleased with U.S. strategy

Jerusalem Post Reporter

Deputy Defence Minister Mordechai Zipori returned from a one-week visit to the U.S. last night convinced that the U.S. Government is basically closer to Israel in its strategic perception than the previous administration.

The deputy minister, together with Aluf Avraham Tamir, head of the national planning unit at the defence ministry, and Aluf Natti Shamoni, chief of the IDF planning staff, had met with upper echelon Pentagon and administration staff. He said on his arrival that "understandings had been reached which could bring in hundreds of millions of dollars to Israel in (military) production and exports." He refrained from specifying details.

Zipori was particularly impressed with the administration's attitude toward the PLO and terrorism, and noted a comment this week by National Security Adviser Richard Allen justifying Israel's pre-emptive strike policy in Lebanon.

The deputy minister evaded questions on the confrontation between Israel and the U.S. on the supply of sophisticated weapons to Saudi Arabia, specifically AWACS early-warning and airborne command aircraft, saying only that the issue had been discussed.

Police find IS3m. in heroin, arrest smuggling suspects

By YORAM BAR
Post Police Reporter

L AVIV. — Cooperation ween the Israel Police and Inter- has led to the capture of four figures in the Tel Aviv un-world and two Turkish citizens o are suspected of smuggling into country the largest amount of oin ever seized in the Tel Aviv rict.

he heroin, weighing just over kilo and worth over IS3m., was gedly found on Friday afternoon he suitcase of 23-year-old Haya Waldman of Bat Yam, who had arrived on a direct flight from Istanbul.

Central unit detectives waited for Waldman as she left the airport building through the green customs line. The suspect, who is known to the police as a drug smuggler and has a record of convictions for drug-related offences, got into a taxi at the airport. After the detectives made sure nobody was there to meet her, they stopped the taxi and arrested her.

Searching through Waldman's

(Continued on Page 2, Col. 4)

Arafat's stance 'disappoints' Sen. Percy

Jerusalem Post Correspondent

WASHINGTON. — The chairman of the Senate Foreign Relations Committee, Charles Percy, said yesterday that he was "definitely" disappointed by PLO leader Yasser Arafat's stance.

In answer to a question on the CBS television programme *Face the Nation* that intimated Percy's past statements about Arafat's supposedly moderate position, the senator said, "He never said what most of the Arab leaders already have."

"The conditions I stipulated six years ago have not changed," he said." I said then that we could not talk with him unless he recognized Israel's sovereignty and its right to secure borders and a peaceful existence. He must accept the UN resolutions."

Summation at the Abuhatzeira trial

Prosecution drops a bribery count

By DAVID LANDAU
Jerusalem Post Reporter

The prosecution has waived one of the counts in the bribery charge against Minister of Religious Affairs Aharon Abuhatzeira and his top aide Moshe Gabai.

State Attorney Gabriel Bach told the Jerusalem District Court yesterday that he was waiving the count, which involves Rabbi Amram Korach's Yemenite Culture Foundation, because the testimony of key state's witness Yisrael Gottlieb had been "foggy on this point."

But Bach, winding up a five-day-long summation speech, insisted that Gottlieb had been "firm, consistent and credible" regarding the two other counts against Abuhatzeira and Gabai. He asked the court, therefore, to convict them of taking kickback-bribes from the Vishnitz Hassidic Community and the Spinka Hassidic Yeshiva, both in Bnei Brak.

Gottlieb testified that he had been the intermediary in these bribe deals. Bach contends that there is much circumstantial evidence to support the state witness' account.

By a legal quirk, though Abuhatzeira and Gabai are no longer charged with receiving a bribe from Korach, Korach is still charged with giving the bribe — either to them or to Gottlieb for his own use.

Bach also asked for a conviction against the fourth defendant, Shmuel Daskel of Vishnitz, for giving a I$25,000 bribe to the minister via Gottlieb.

Regarding the "fogginess," contradictions and blatant untruths that occurred during Gottlieb's marathon cross-examination earlier in the trial, Bach cited the state witness' condition of "sustained psychological stress" to explain his "lapses into vagueness and hesitancy."

The state attorney insisted that Gottlieb had been "fully coherent and cogent" during his initial examination (by Bach himself), and also during his re-examination (also by Bach). During the first part of his cross-examination he had also held his own. But later he reached "a point of physical and mental enervation... He seemed not to understand what he was being asked... He answered 'perhaps,' 'I don't remember,' or 'maybe' just to get the intensive, incessant questioning by four defence counsel to come to an end..."

Bach said there were "two Yisrael Gottliebs." One had been a

(Continued on page 2, col. 2)

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See Page 3

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	MIN. C°	MIN. F°	MAX. C°	MAX. F°	
AMSTERDAM	9	48	16	61	Cloudy
BRUSSELS	10	50	17	63	Cloudy
BUENOS AIRES	18	64	25	77	Rain
CHICAGO	5	42	29	78	Rain
COPENHAGEN	4	39	6	43	Clear
FRANKFURT	8	46	18	64	Cloudy
GENEVA	6	43	16	61	Clear
HELSINKI	-8	18	4	39	Clear
HONG KONG	22	72	27	81	Clear
JOHANNESBURG	10	50	24	75	Clear
LISBON	13	55	17	63	Rain
LONDON	10	50	14	57	Cloudy
MADRID	8	46	17	63	Rain
MONTREAL	-5	23	11	52	Cloudy
NEW YORK	5	42	15	59	Clear
OSLO	-2	28	4	39	Clear
PARIS	12	54	19	66	Cloudy
RIO DE JANEIRO	21	70	32	90	Rain
SAO PAULO	19	66	30	86	Rain
STOCKHOLM	1	33	3	37	Clear
TOKYO	7	45	14	57	Clear
TORONTO	5	41	15	59	Clear
VIENNA	16	61	3	37	Clear
ZURICH	2	36	16	61	Cloudy

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THE WEATHER

Forecast: Partly cloudy.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	49	4—17	19
Golan	32	3—19	17
Nahariya	21	5—19	19
Safad	47	5—15	16
Haifa Port	59	11—18	17
Tiberias	38	8—23	24
Nazareth	51	9—19	20
Afula	41	5—21	22
Shomron	47	9—18	20
Tel Aviv	51	9—21	21
B-G Airport	34	7—21	22
Jericho	38	8—25	27
Gaza	60	10—18	19
Beersheba	31	7—23	24
Eilat	14	15—29	29
Tiran Straits	29	15—26	27

SOCIAL & PERSONAL

Prof. Yehoshua Prawer delivered the keynote lecture on rebuilt Jerusalem, at the annual Ya'acov Herzog Prize distribution ceremony at the Science Academy hall in Jerusalem yesterday.

Prof. Moshe Dotan will lecture on archeological discoveries in Acre at the Journalists Association's Beit Agron in Jerusalem at 8 p.m. today.

Rotary Jerusalem West will hold a business meeting at 7 p.m. today at the King David Hotel.

Masonic Brothers from the U.S. or Canada residing in Israel, who are interested in reactivating the George Washington Masonic Lodge number 35, Tel Aviv, are asked to write to Dr. Henry Friedman, 51 Tchernichowsky, Tel Aviv, or phone 03-290484.

Zionist leader Beinesh Epstein, 85

NEW YORK (JTA). — Beinesh Epstein, writer, journalist and lifelong Zionist leader in the U.S. and Israel, died here last Thursday at the age of 85.

At the time of his death he was a lifetime member of the actions committee of the World Zionist Organization, a public affairs consultant to the Zionist Organization of America and a member of the world executive of the Zionist-Revisionist Organization.

Ministry appointment approved by cabinet

Jerusalem Post Reporter

The Cabinet yesterday approved the appointment of Yeshayahu Barzel as the Southern District Representative in the Interior Ministry.

Barzel, 45, was born in this country and educated at the Horev orthodox school in Jerusalem, before taking degrees at the Hebrew University. Starting in the State Comptroller's Office in 1962, he worked subsequently in the Jewish Agency, the IDF and the Interior Ministry.

Since 1980, Barzel has been acting Haifa District Representative.

The former Southern District Representative, Yitzhak Vardimon, retired last year.

25 opposed to Sadat arrested in Cairo

CAIRO (UPI). — Security authorities, clamping down on government opponents, arrested 25 Communists and other leftists at midnight Saturday, a spokesman for an opposition political party said yesterday.

The spokesman for the pro-Moscow Nationalist Unionist Progressive Rally said the arrests "covered tens of national leaders." But a statement he issued listed 25 names only.

Neo-Nazi's diary tells about world-wide ties

BONN (UPI). — Following the biggest crackdown on neo-Nazis in West German history, authorities have unearthed a web of international right-wing contacts stretching from the U.S. through Europe to touch even the Palestine Liberation Organization and Iran.

The network came to light in a diary police seized from a leading West German neo-Nazi, Manfred Roeder. Extracts from the diary of Roeder's international search for funds and arms were published in *Der Spiegel* magazine and the *Welt Am Sonntag* newspaper yesterday.

They revealed that Roeder had asked the PLO and even Iran for funds and arms before his arrest last September on suspicion of plotting firebomb attacks that killed two foreign refugees in West Germany last year.

Publication came after West German police last Tuesday raided 450 homes nationwide in the most sweeping assault yet on neo-Nazis. The raids turned up tens of thousands of banned neo-Nazi and anti-Semitic tracts smuggled in from the U.S. and Canada.

Welt am Sonntag said police also seized 1.2 kilograms of explosive, 34 grenades, 30 knives, 3 gas pistols, several pistols and other guns and several thousand rounds of ammunition.

At least one arms cache belonged to a young neo-Nazi who tried to go to Lebanon for military training in a terrorist camp, the paper said.

Roeder and Karl-Heinz Hoffmann, leader of a neo-Nazi group banned last year, also had contacts in Lebanon, the newspaper said.

Hoffman has for several years sold second-hand military vehicles to Lebanon and other Middle East countries. One such shipment was seized on the Austrian border after a young member of Hoffmann's group planted a bomb at the Munich Oktoberfest last September, blowing himself up and killing 12 others.

But authorities otherwise have been reticent in action against rightists. And *Der Spiegel* charged they had dragged their feet in admitting international neo-Nazi ties.

Among the web of contacts between rightists in France, Italy and Spain, *Der Spiegel* highlighted the central role of Americans Gary Lauck and Georg Dietz and Canadian Ernst Zundel in supplying neo-Nazi literature and said Roeder met greatest success raising funds in the U.S.

Albert Speer says top Nazis couldn't halt murder of Jews

HAMBURG, West Germany (UPI). — Nazi Munitions Minister Albert Speer says several top Nazis tried to stop the extermination of Jews, but all fell powerless to SS leader Heinrich Himmler, who systematically murdered Jews on orders from Adolf Hitler.

In a new book, *The Slave State*, Speer offers fresh proof that Hitler personally ordered the mass murder of Jews. He also reveals the systematic murder was the subject of bitter infighting among top Nazis.

In the first extract from the book printed in *Der Spiegel* yesterday, Speer, who was perhaps Hitler's only male friend, said he and other top Nazis knew about the transportation of Jews, but never broached the matter with Hitler.

Henriette von Schirach, the wife of the Nazi governor in Vienna, was

(Continued on back page)

ABUHATZEIRA TRIAL

(Continued from page one)

busy, active, popular mayor and public figure in Bnei Brak, about whom the court had heard from several witnesses. The other was "the broken, smitten and frightened figure who appeared before us." The state attorney spoke of the ostracization and hatred that Gottlieb had suffered in Bnei Brak following his consent to turn state's evidence.

To cap it all, he was beaten senseless by a Hassidic assailant just days before he was due to give evidence. "The physical injury — inflicted with a blunt instrument — was bad enough. The psychological trauma was worse."

But despite his shakiness on the witness stand, Bach continued, Gottlieb had stood firm on the "basis" of his story: that he had conveyed bribe-moneys from Spinka and Vishnitz to the minister's aide Gabai with the foreknowledge of the minister.

Regarding the money from Korach, however, Gottlieb had offered several versions during the course of his police interrogation and court evidence. At first he said there had been two sums of money from Korach; then he said there was only one sum, paid in cheques; then he "recanted" and said the money had been intended for distribution to charity and he "apologized" to Korach from the witness box; then he returned to the two-sum version; then he once again "recanted;" and finally, under Bach's re-examination, he went back to the one-sum-as-bribe version.

In view of this "fogginess," Bach said, he could not say beyond reasonable doubt that the minister had indeed received the IS5,000 in cheques mentioned in the charge-sheet as a bribe.

The fogginess could not help Korach, however, Bach continued. The prosecution had proven conclusively, he said, that Korach had given Gottlieb at least the one sum of IS5,000 in cheques — just after receiving a large grant from the ministry following Gottlieb's intercession. That IS5,000 was a bribe on Korach's part — whether it was intended for the minister or for Gottlieb's own use.

The judges pointed out that by removing the Korach count from the case against the minister the prosecution seemed inevitably to be weakening Gottlieb's credibility and therefore weakening the foundations of the other two counts.

But Bach insisted that this was not so. He cited precedents that showed a court could believe part of a witness' evidence and reject part.

The state attorney also dwelled on what he said was strong circumstantial evidence backing Gottlieb's allegations regarding the bribes from Spinka and Vishnitz. In particular, he stressed Minister Abuhatzeira's "Kafkaesque" behaviour during his police interrogations. The minister, Bach charged, was detailed and expansive when asked about "subsidiary issues," but clammed up whenever Tat-Nitzav Binyamin Siegel, the fraud squad chief, zeroed in on the specific instances of Spinka and Vishnitz.

Terrorist Silmi killed two with grenade

GAZA (Itim). — Rafik Silmi, the Gaza terrorist leader who was killed by security forces recently, was responsible for the deaths of two Israelis in a greande attack on a vehicle of Kibbutz Kissufim. Also, among numerous other activities, he planted bombs in Bat Yam in January and in Rehovot last month.

Silmi's death, in an exchange of fire with soldiers who had come to arrest him, was disclosed on Friday. Additional details about the man, reputed to have been responsible for much of the terrorist activity in the Gaza strip during the past year, were released yesterday.

Silmi was born 25 years ago to a refugee family in the Shati camp in Gaza and was initiated into terrorist activities at the age of 15. At one point he was arrested and served five years in jail. After his release he attempted to hold down a job in Israel and even learned Hebrew. But in 1977 he went to Egypt and sought out PLO representatives. He enlisted in the PLO and in 1980 infiltrated into the Gaza Strip via El Arish.

Terrorist activity in the Gaza Strip which peaked in 1970 with 554 terrorist acts recorded, almost totally dissipated shortly before the signing of the peace treaty with Egypt. A moderate increase in activity took place following the treaty. There were only 14 incidents in 1978, 24 the following year and 49 in 1980.

Although terrorist activity in recent years has been characterized by less efficient organization and a reduced capacity for storing arms and explosives, it has been noted that the terrorists infiltrating the area are generally more aggressive and tend to be more highly motivated than in previous years.

ARTS AND CRAFTS. — Fifty teachers, inspectors and headmasters from the Bethlehem area are currently taking part in arts and crafts training at the Youth Wing of the Israel Museum in Jerusalem. Three similar-sized groups from Hebron, Jenin, Nablus, Ramallah and Tulkarm have already participated in these refresher courses.

Beduin defy ban on praying in B'sheba museum

By JOSHUA BRILLIANT
Jerusalem Post Reporter

TEL AVIV. — A group of Beduin, who were detained after holding Friday services in a mosque converted into a museum by the Beersheba municipality, said yesterday that they will pray there again this weekend.

Police questioned the Beduin for two hours and announced plans to charge them with trespassing.

Beduin leader Nuri el-Okbi told reporters that the museum clerk had let them in, even opening the gate to the minaret from where worshippers were called to service. He said they removed their shoes at the entrance to a room, unrolled prayer rugs, brought a Koran and prayed. Police arrived during the one-hour service, but agreed to let them complete the service.

When the beduin left the room, they found their shoes scattered and "it took us an hour to find them," he continued.

Police said they went to the museum after its manager complained of trespassing by nine Beduin adults and one youngster.

El-Okbi claimed that the mosque was theirs, since Beduin tribesmen had raised funds to build it during the Ottoman rule. Negev Beduin don't have mosques and must travel to Hebron and Gaza to pray, he said, conceding that only a few Moslems now reside in Beersheba

(Continued on back page)

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The Arab owner of the shop on the ground floor of Beit Hadassah in Hebron yesterday began making quilts and cushions outside the premises, since the military government is repairing the shop's ceiling which was destroyed during an energetic Purim party held on the floor above by Jewish settlers. (Gershon Ellinson)

Hebron Arabs ask court to evict Hadassah squatters

By DAVID RICHARDSON
Jerusalem Post Reporter

Eleven Hebron Arabs, led by acting mayor Mustapha Nabi Natshe and members of the Hebron municipality, have petitioned the High Court of Justice to order the military government to evict some 70 settlers from Kiryat Arba who have been squatting in the Beit Hadassah clinic for almost two years.

Most of the petitioners live or work in the immediate vicinity of Beit Hadassah in the centre of Hebron. They allege in their petition that the government has failed to discharge its obligation to ensure law and order and evict the trespassers.

They also claim that the settlers deliberately make life difficult for them and even "terrorize" them. Pressure has been put upon them in various ways to sell their property and the Jewish children throw stones at Arab residents, they allege.

Beit Hadassah was first occupied two years ago by a group of women from Kiryat Arba led by the wife of Rabbi Moshe Levinger, the leader of the Kiryat Arba community. The government, including Prime Minister Menahem Begin and the then defence minister Ezer Weizmann, denounced the move as illegal and warned they would use force if necessary to evict the settlers.

There have been numerous complaints by Hebron Arabs about the squatters' activities and warnings that their presence was a "provocation." Last May, terrorists attacked the building, killing six settlers.

The petition names the defence minister and the military governor of Judea and Samaria as respondents.

Meanwhile, Rabbi Levinger left for the U.S. yesterday on a trip described by Gush Emunim sources as an "emergency." The Itim news agency, reporting the trip, said that it is connected with the renewal of the Jewish community in the centre of Hebron.

HEROIN SMUGGLING

(Continued from page one)

suitcase, they allegedly found inside the lining pure heroin of the highest quality in an amount sufficient for 12,000 doses.

Over Saturday and yesterday police arrested one of Tel Aviv's most notorious criminals and his wife and [illegible] suspects whom police say formed a drug smuggling network. Waldman was yesterday remanded for 15 days by order of a Tel Aviv magistrate.

Tel Aviv district commander Nitzav Moshe Tiomkin said in a press conference yesterday that the police regard the arrests as a feather in their cap and predict further arrests.

It was learned that two of the detainees, a 37-year-old woman and her husband, 29, who reside in Bat Yam, are Turkish citizens. The other suspect is a 27-year-old reputed Holon drug smuggler.

The Osem Group of Companies
sadly announces the untimely passing of
MAURICE WICK ז"ל
Director, Osem London Ltd.
and expresses condolences to the family.
He was a devoted colleague and a good friend. He will be deeply missed by all who knew him.
Board of Directors, Management and Staff of Osem

In great sorrow we announce the passing of our mother
MARIE MARKUS
The Bereaved:
Son — Raphael Markus and family.
Daughter — Hanna Pochachevsky and family

We share the grief of our colleague
AMRAM AMAR
on the death of his brother
ELIAS
Zim Israel Navigation Co. Ltd.
Ship Department
Michal and Zohar

On the thirtieth day after the passing of our beloved
Dr. LAJOS GOTTESMANN ז"ל
there will be a memorial service and tombstone unveiling on Wednesday, April 1, 1981, at 3:30 p.m. at the Herzliya cemetery on Rehov Pinsker.
The Family

We join Francene and family in their mourning the untimely passing of
YEHUDA LANDAU ז"ל
The members of Einstein Synagogue
94 Einstein Street, Haifa

Tekoah trying to arrange immigrants' visit to Mosco

Jerusalem Post Staff

TEL AVIV. — High-level talks are said to be in progress, with the help of the Soviet ambassador to Washington, Anatoly Dobrynin, to arrange a visit to Moscow by a delegation from the Association of Soviet Immigrants in Israel.

Yosef Tekoah, president of the association, told a press conference here yesterday that at times when there are contacts between Israel and Arab countries defined as enemies, there could certainly be more direct contact with the Soviet leadership on issues relating to aliya. He hopes to receive word within the next week to 10 days whether a visit to Moscow will be possible.

Government sources involved closely with Soviet Jewry issues yesterday ridiculed Tekoah's statements and called them "electioneering." A fierce fight is now on for the votes of recent Soviet immigrants, who have formed no less than three lists for the Knesset.

The sources said that the Soviet Immigrants' Association does not "stand a prayer of a chance in getting its proposed delegation into the Soviet Union. The USSR do allow various other groups t and they are definitely not g allow representatives of em from Russia to come, in th paign for more emigration fr for aliya. Tekoah's pronouncem are simply not serious."

Tekoah said the success of for Soviet aliya depends on e in the way immigrants are r and absorbed here. Build housing for new immigrants recommence, he said, an should be done to create immigrants.

He said the restlessne frustration among Sovi migrants here is reflected in that three groups have ann their intention to run in t tions as independent lists.

Tekoah said he is leaving as president of Ben-Gurion sity at the end of April to himself full-time to prob Soviet immigrants. Asked t tended to run for the Kne said his affiliation with the Alignment is no secret but prefers to keep politics a separate.

Dundee delegation arrives for Nablus 'twinning' pact

Jerusalem Post Reporter

James Gowans, the Lord Provost of the Scottish city of Dundee set a moderate tone yesterday during a speech in Jericho, upon arrival in the West Bank together with four other councillors to inaugurate a controversial twin cities agreement with Nablus.

Gowans said his delegation "recognized the problems that exist here and wishes to see a peaceful settlement." He dismissed suggestions that the display of the Palestinian flag in the Dundee council chambers and the twin city agreement were behind the recent spate of anti-Semitism directed against the small Jewish community in his city. He claimed that street gangs were responsible for the daubing of swastikas on the Dundee synagogue and said "there is no anti in Scotland."

By contrast, Ramallah Karim Khalaf, who welco Dundee delegation in Jer more outspoken, brandis Minister Menahem Begi rorist" for his pre-state against the British and rep call for an independent P state under the leadersh PLO.

The agreement to twi with Dundee was conc year during a visit then mayor of Nablus, Bassam who was in England for treatment after losing bot bomb attack.

Shak'a was unable to Dundee party in Jericho because of the funeral Nablus mayor Hamdi Ka

WARNING BY EITAN

(Continued from page one)

support the mandate on one side, and then they go against it when it doesn't suit them."

Israel and Haddad oppose the deployment of Lebanese soldiers in the area, and charge the Lebanese army would aid Palestinian terrorists trying to infiltrate into Israel.

But Callaghan insists the Lebanese troops were "entitled to be deployed anywhere" in the South.

It was reported that P terrorists and the Christi yesterday exchanged hea fire.

At 10 a.m. the terroris fire from their positions Arnun, Aishiya and Rein at the villages of Marjayo Balat and Dibin.

Several shells fell near not far from Metulla.

In deep sorrow we announce the sudden passin in New York of our dear brother and uncle
BEINESH EPSTEIN ז"ל
son of Rabbi Haim-Fishel E stein ז"ל
Shiva will be observed at the home of his brother D Epstein, 9 Rehov Diskin, Jerusalem, apt. 18.
The F

We deeply mourn and extend our deepest sympathy family on the passing of the veteran leader of the Jabo Movement and our very devoted friend
BEINESH EPSTEIN ז"ל
Executive Vice-Chairman of the League for the Na Labor and American Committee for the National Sick in Israel.
The Executive Committee of the National Labor Fede in Eretz-Israel.
Histadrut Haovdim Haleumit
The Kupat Holim Leovdim Leumiim
The League for the National Labor
The League for the National Sick Fun

The Executive of the World Zionist Organisation mourns the passing of
BEINESH EPSTEIN ז"ל
distinguished veteran Zionist, and extends sinc condolences to the family.
Arye L. B Chairman

We mourn the death of
REGINA MOZES
our founder member of the Daughters of Israel Aid Society.

We deeply mourn the death of our dear wife, moth grandmother
FLORRIE KWITZ ז"ל
nee Moshai
The bereaved family in Israel and South A

هكذا من الأصل

Druse come to court to cheer Muadi's sons

By ROBERT ROSENBERG
Jerusalem Post Reporter

heers and applause from about Druse who came from Galilee erday greeted the three sons of Sheikh Jaber Muadi as they e led handcuffed into the salem District Court yesterday face charges of murdering Be- MK Hamad Abu Rabia.

he motive for the crime, the in- ment says, was to enable their er to take Abu Rabia's place in Knesset.

Jahesh, Seif and Ha'el Muadi, aded not guilty through their nsel, Shlomo Toussia-Cohen, in District Court that for a brief r saw its benches full of Druse ables instead of the religious s who have been attending the uhatzeira trial in the same rtroom.

he trial, which the three judges ided would resume later this spr- and which is expected to extend r 20 sessions, has become a tral issue among the Druse, ac- ding to several Druse men who l taken off from work to attend session yesterday.

MK Muadi, who beamed at the e turn-out of supporters for his s, gave a brief speech after the ring, saying "it's not logical" that three men who had served in the defence of the state should be on trial.

The Druse gathering demanded to see the three brothers led out of the court building but were disappointed by a police decoy at a side door. Police and Border Police turned out in numbers for fear of violent demonstrations. But after some argument, the Druse dispersed peacefully.

One of the Druse, Assim Halabi, said that "if they are proved guilty they should be punished." But he emphasized that he could not imagine the three brothers being convicted.

Others were angrier. One young man who refused to be identified, said that if the court convicts the three, "the Druse should all vote Communist and not work in the defence of the country."

"Seif was my operations officer in the army," said the man.

The brothers are charged with assassinating Abu Rabia on January 12 in an ambush outside Jerusalem's Holyland Hotel. Abu Rabia had refused to honour a rotation agreement which would have meant giving up his Knesset seat in favour of Muadi.

Sheikh Jaber Muadi's sons are led into Jerusalem District Court yesterday to face murder charges. (Rahamim Israeli)

Visiting Dominican minister to hold reception in capital

Jerusalem Post Reporter

Dominican Foreign Minister nuel Tavarez arrived in Israel night to begin a five-day visit t will include meetings with ne Minister Menahem Begin Foreign Minister Yitzhak mir.

avarez will hold an official lomatic reception at the minican Embassy in Jerusalem, which Shamir will be the guest of nour. It will be the first lomatic reception held by a eign country in an embassy in salem since the adoption of the salem Law when 13 embassies the capital in June 1980.

he Dominican Republic is one three Central American ntries that remained in salem. Costa Rica and atemala are the other two.

he visiting minister plans to go he Negev to see modern Israeli tlements. The Dominican public has contracted with Israel Canada for their expertise in ishing new settlements in arid ons, and Tavarez will meet with lement experts.

Met at Ben-Gurion Airport yesterday by Shamir, Tavarez is accompanied by his ministry's number two man, Horatio Vicioco.

Minister Manuel Tavarez at Ben-Gurion Airport yesterday. (Zoom 77)

Police to push for speedy justice today

By YORAM BAR
Post Political Reporter

TEL AVIV. — Suspects arrested today for hooliganism and other street crimes will be brought to court by this evening in a speedy-trial campaign launched by the police and the courts.

Nitzav-Mishne Yoram Gonen, investigation officer of the Tel Aviv district police, told reporters yesterday that the experiment to try suspects on 34 offences such as disturbing the peace, vandalism and prostitution, will be held today and on April 7.

The national police headquarters has decided to focus on street crimes to increase public safety and confidence, Gonen said.

The police and courts will examine the deterrent effect of the speedy trials as well as the ability of the courts to cope with the stepped-up pace.

Gonen explained that some of the trials may be delayed if the defendants insist on being represented by a lawyer, as the law specifies.

In most of these cases the trials will be postponed for 24 hours. But the courts have promised to do everything in their power to finish the trials as soon as possible.

New adoption law would protect child

Jerusalem Post Reporter

Legislation to guard the interests of children in adoption proceedings will soon be brought before the Knesset, Labour and Social Affairs Minister Israel Katz said. The legislation, drawn up by Katz and Justice Minister Moshe Nissim, was approved by the cabinet yesterday.

The new law would speed up adoption procedures, protect children from being used as pawns by their parents in paternity suits, and make the social worker handling the case the authority on which the courts could rely in ordering an adoption.

According to officials, there are 922 families waiting to adopt children. In 1980, 439 children, including 88 older ones, were adopted.

Election ad prompts reminder to Peres

After the appearance of an election campaign ad accusing a government minister of treason, Labour Party leader Shimon Peres was admonished to have his campaign conducted with decency and moderation.

The reminder was in a letter from the chairman of the Tenth Knesset Election Committee, former justice Moshe Etzioni. He called Peres' attention to a newspaper advertisement signed by "Alef" (Committee for Peres) and which read: "Aridor and Naor Ltd. — Clearance Sale.

"First they sold out the country's economy,

"Now they are selling state secrets." (Itim)

Foreign Ministry postings given cabinet approval

Jerusalem Post Reporter

The cabinet yesterday authorized Foreign Ministry ambassadorial appointments recommended by Foreign Minister Yitzhak Shamir. They take effect in the summer.

Three of the appointments came from outside the Foreign Ministry and were seen as political: Eliahu Lankin to South Africa, Haim Aharon to Colombia and Arye Avidor to Bolivia.

Replacing Eliahu Ben-Elissar in Cairo will be Moshe Sasson, a career diplomat whose expertise is in Arab affairs.

Other appointments include: Yitzhak Ben-Ari to West Germany; Yossi Hadass, who headed the Egyptian desk during the years of the negotiations with Cairo, to Denmark; Gad Elron to Norway; Ya'acov Aviad, former protocol chief, to the Philippines; Avraham Cohen to Thailand; Yehuda Horam to Finland; Shaul Karir to Nepal; Berl Zerubavel to Paraguay; and Ya'acov Cohen to Venezuela.

A number of consuls-general were appointed, including Naphtali Lavie, past spokesman for Moshe Dayan and Shimon Peres at the Defence Ministry, and at the Foreign Ministry for Dayan and Shamir, who goes to New York. Yehezkel Baunea goes to Greece to head the Israeli legation.

'Land Day' rally to be held today

NAZARETH. — In conjunction with radical Arab groups, Rakah, the New Communist Party, will hold a rally here today to commemorate the fifth anniversary of "Land Day."

The organizers said that thousands of Arabs from Galilee, the Triangle villages and the Negev encampments and leftist Jewish groups are expected to attend. The police have already authorized the rally.

The organizers, the national committee for the protection of Arab land, and the chairmen of the Arab local councils committee called on the Arab population to take part to protest what they called the "mad Judaisation move of the country headed by the Likud government in cooperation with the Alignment." The PLO radio stations in neighbouring countries also called the Arabs of Israel to mark the occasion.

The original Land Day, on March 30, 1976, was held to protest government plans to expropriate 17,000 dunams of land in Galilee, partly owned by Arabs.

EXERCISE. — A Civil Defence exercise will be held tomorrow in the area of Ben-Gurion Airport from 7 a.m. to 4 p.m. In case of a genuine emergency a rising and falling siren will be sounded.

More Home News on Page 7

Schools back to normal as labour court weighs ruling

By BENNY MORRIS
Jerusalem Post Reporter

The country's schools will func- n normally through Wednesday, owing the Jerusalem District bour Court's deferment yester- evening of a decision regarding teachers' appeal against the reed Arbitration Board's review the teachers' new wage agree- nt.

The court yesterday heard the ernment and teachers' argu- nts, and decided to deliver its ision on Wednesday.

The teachers argue that the board not rule on the agreement, ich awards them a 7.65 per cent hike defined as "wage erosion npensation" and retroactive to tember 1980, as only one side — government — has approached board. The teachers prefer that labour court rule whether or not agreement is in breach of the ional wage agreement, as main- ed by Attorney-General Yitzhak mir and Finance Minister Yoram idor.

The court issued an order forbid- g the board from discussing the reement and forbidding the chers from implementing sanc- ns until the court hands down its ision.

But whatever the court ruling, ruptions are expected in the ool system later this week as a ult of the Treasury's order to deduct pay from the teachers for the sanctions implemented during the past three weeks.

A teachers' spokesman said yesterday that if the government goes ahead with docking part of teachers' pay, "the teachers will flood the labour courts with pay claims against the government, and these legal proceedings will inevitably mean that teachers will be unable to attend school."

At yesterday's cabinet session, Prime Minister Menahem Begin announced that if the labour court's decision goes against the teachers, and the teachers-government agreement is deemed in breach of the national wage agreement, he will call a special cabinet session to discuss the teachers' pay claims.

Begin said he would propose that the cabinet discuss the pay rise in terms of a start to implementing the Etzioni Commission recommendations rather than as "wage erosion compensation," the formula for the pay hike used in the agreement reached between government negotiators and teachers three weeks ago.

The Etzioni Commission, which sat between January and December 1979, recommended that teachers' salaries be raised by 30-60 per cent to bring them into line with those of other similarly qualified professionals.

Honours for Righteous Gentiles

An Austrian woman who hid a wish fugitive in her house during Nazi era yesterday planted a e in the Avenue of Righteous entiles at Yad Vashem in usalem.

Maria Saidler was awarded the ht to plant a tree and a special tificate in 1979 for the help she ve to Tirza Somer in Vienna. mer first met Saidler when she und refuge with the Jewish eischer family where Maria idler was employed as a usekeeper. She also offered to le the Fleischers, but they refused d were transported to Auschwitz.

Three Dutch families will today awarded Yad Vashem's highest nour — the Yad Vashem medal d a tree in the Avenue of ghteous Gentiles. Jahan and tronella Roostee lived in central nhem and were active members the Dutch Resistance. They took iriam Esther — then a 14-year-old l — into their home with two ner Jews. Miriam Esther hid in their home for two and a half years except for periods when her refuge was threatened. At those times she was sent to stay with the Roostee's relatives, Dick and Veem Roeper and Chris and Hertha Bosveld, who will also be awarded medals and trees. Miriam Esther, who now lives in Haifa, will plant the trees in the three families' names on Monday at 11 a.m.

Klaas Oosterkamp and his daughter Hendrika took in Loius Goldschlak, a Jewish baby, into their home in 1943 when his parents were sent to a concentration camp. The baby was raised by the father and daughter during the war, and when she married was adopted by the family. Klaas Oosterkamp has died in the meantime, and his daughter Hendrika will plant the tree at 11 this morning.

Tomorrow, Yad Vashem will honour Gabriel Boulle of Paris who gave refuge to a family of six Jews and several American and British pilots.

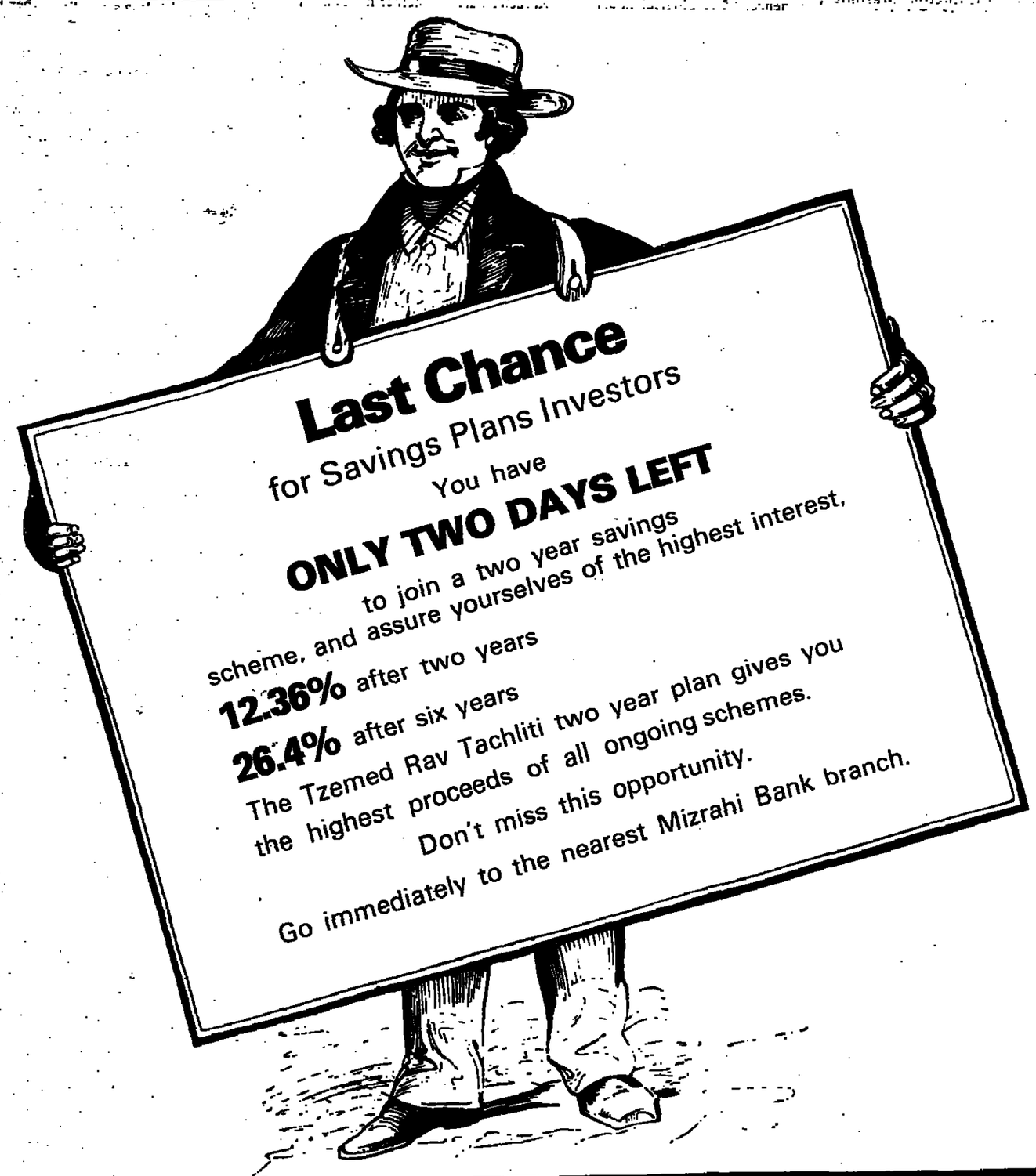
The Ongoing Plan Fails To Attract People

All those who were in the fortunate position this month of being able to redeem the moneys of their 1975 savings plan, have been faced with the dilemma — to waste their money, to invest it in an ongoing plan, or in the popular Rav Tachliti savings scheme. Well, we have an answer for all these people. Today as well, it's worthwhile depositing in the Rav Tachliti programme. The (still) high interest granted in this plan, will compensate all savers for the one month linkage loss.

Maariv, Friday, March 27, 1981

More Worthwhile Deposit Period	Ongoing Plan Grant	Rav Tachliti Grant	
		5% Interest	6% Grant
End of two years	8%	10.25%	12.36%
End of 3 years	12%	13.56%	15.73%
End of 4 years	14%	16.96%	19.2%
End of 5 years	16%	20.47%	22.78%
End of 6 years	22%	24.09%	26.46%

This table proves that it is more worthwhile saving in Tzemed Rav Tachliti at United Mizrahi Bank



UNITED MIZRAHI BANK LTD

Jakarta accepts hijacker demands

U.S. escapee shot but Briton's bid succeeds

BANGKOK (AP). — Indonesia will meet all the demands of airplane hijackers holding 56 people hostage on a commandeered airliner here, Thai government spokesman Trairong Suwankiri said here last night.

The announcement came after an American, identified by Thai and U.S. officials as Carl Schneider, was seriously wounded attempting an escape from the Indonesian airliner, which was diverted here on Saturday by hijackers demanding the release of 84 political prisoners.

Schneider was later reported to be out of danger. Public Health Minister Sem Pringpuangkaew said that he had been operated on at the King Bhumipol hospital near the airport, after he had been shot in the side and back and was pushed or fell out of the plane.

Earlier yesterday a British hostage escaped from the airliner by pushing open an emergency door, jumping to the tarmac and sprinting to the cordon of troops surrounding the aircraft.

Thai Deputy Premier Prachiuab quoted the escaped Briton, Robert Wainwright, 27, as saying that there were only five hijackers on board, instead of the six previously believed. Wainwright told interrogators that the hijackers, ranging in age from 20 to 40, were armed with machineguns, grenades and dynamite.

According to the escaped hostage, there were six non-Indonesians still on board among the 47 passengers and nine crew members. The foreigners were three Americans, two Japanese and one from the Netherlands. Earlier reports had said there also might be two West Germans aboard.

The hijackers originally demanded the release of 20 prisoners, but later said they wanted 84 prisoners freed.

The Thai spokesman announced that Indonesian officials said all "three demands" of the hijackers would be met, including release of the 84 prisoners. He did not say what the other demands were.

Trairong also disclosed that the government of Sri Lanka, where the five hijackers demanded they be flown, will not allow the air pirates or the Indonesian prisoners to land there.

Trairon said officials in Colombo, Sri Lanka's capital, said the country "cannot accommodate" them.

There was no immediate word from Colombo on his report.

The Thai spokesman also said that officials here would allow an Indonesian DC-10 jetliner, presumbably the first part of the hijackers' demands, to land here. Previously, Thai officials had refused permission for the plane to land.

Honduran plane hijack ends as gov't meets demands

TEGUCIGALPA, Honduras (AP). — A hijacked Honduran jetliner with about 50 freed hostages returned to Honduras on Saturday night and the government announced it would free an unspecified number of foreigners imprisoned here on arms trafficking charges.

The government statement, broadcast on the national radio network, said the prisoners would be deported to Panama, where the hijackers had surrendered to authorities on the plane's last stop. Officials said the hijackers were seeking asylum in Cuba.

The plane arrived at San Pedro Sula airport, 270 kilometres north of here, an airline spokesman said. A U.S. embassy spokesman in Panama said the freed hostages appeared to be in good shape.

The New Orleans-bound Boeing 737 of the Tan-Sahsa airline was seized on Friday morning by three men and a woman armed with pistols and sub-machineguns. They demanded that Honduras free 16 jailed Salvadoran leftists. It was unclear whether the Salvadorans were the foreigners to which the government statement referred.

The hijackers ordered the pilot to land in Managua, Nicaragua, where they released 34 passengers.

'Sunday Times' says Mountbatten planned coup

LONDON (Reuter). — British intelligence agents investiaged a plot — by the late Lord Louis Mountbatten, among others — to overthrow the Labour government of Prime Minister Harold Wilson by a military coup in 1968, *The Sunday Times* reported yesterday.

It quoted Sir Martin Furnival Jones, former head of the Security Service, as saying that the conspirators were civil servants and military and that the details and the name of one major-general were given to the then home secretary James Callaghan.

Callaghan acted quickly, although no one was charged and none of the military was prosecuted, according to the account. The plotters, Sir Martin was quoted as saying, were "a pretty loony crew."

The story climaxed a week of allegations of treachery in British political and security circles. The most sensational allegation, by journalist Chapman Pincher, was that Sir Martin's predecessor as head of the Security Service, Sir Roger Hollis, was suspected of being a Soviet agent.

Prime Minister Margaret Thatcher told parliament that Sir Roger, who died in 1973, had been investigated and cleared.

In an interview with *The Sunday Times*, Sir Harold Wilson's political secretary, Lady Falkender, named Queen Elizabeth's uncle, Lord Mountbatten, as a prime mover behind the alleged coup plot.

The newspaper quoted her as saying: "Mountbatten had a map on the wall of his office showing how it could be done. Harold and I used to stand in the state room at Number 10 Downing Street, and work out where they would put the guns."

Retired publisher Cecil King on Saturday night denied suggestions in the report that he had asked Lord Mountbatten to head a government once Wilson had been ousted.

He was quoted by the Press Association news agency as saying Lord Mountbatten had told him that the queen was deeply disturbed because she had received a great number of letters of complaints about the Labour government, which had come to power in 1964 after 13 years of Conservative administration.

Sir Harold Wilson said last night that it was true there was a plot to take over the government when he was prime minister, but he strongly denied that Mountbatten was behind it.

Police kill Basque terrorist

VITORIA, Spain (UPI). — Spanish police surrounded a group of Basque terrorists as they met in a park yesterday, then shot one dead as the terrorists attempted to fight their way out of the trap. Three of the terrorists were captured alive.

No mention was made of injuries, but eyewitnesses to the daylight shootout in the centre of the Basque home rule capital of Vitoria said at least one of the terrorists was badly wounded.

Police identified the dead man — Spain's third victim of Basque violence in three days — as Jose Manuel Aristimuno, a member of the military wing of the separatist army ETA.

They said he had been sought in connection with at least five assassinations and was heavily armed at the time of his death, carrying two pistols and a hand grenade. Aristimuno was Spain's 14th victim of Basque violence this year and the eighth since a coup attempt by right-wing army officers on February 23.

The terrorist rendezvous took place a stone's throw from Vitoria Cathedral. Police sources noted that ETA's last two assassinations both took place outside churches, as the victims — army colonels — left mass.

PARKING. — Parking cards issued before the price rise in Tel Aviv of March 8 will remain valid until May 7, it was announced yesterday.

W. German bomb rips house used by U.S. military

GIESSEN, West Germany (UPI). — A bomb blast badly damaged a U.S. military intelligence building early yesterday, police said.

The building, an unmarked house in a residential area of this central German town, was partly destroyed in the pre-dawn blast, but two American soldiers inside escaped unhurt, police said.

Police chief Hermann Sauer said, 12 hours after the blast, that there were no clues to the bombers' identity and the explosion might be "the deed of a madman" who did not know the unobtrusive building was used for military intelligence.

American military spokesmen did not disclose the purpose of the building or details of the bomb attack. The walls of the one-storey building caved in and windows were shattered in nearby buildings, including a school.

No one immediately claimed responsibility for the blast and first investigations turned up no clues on the identity of the bombers.

But the blast recalled a series of bombings in the 1970s by the Red Army faction, the terrorist group founded by Andreas Baader and Ulrike Meinhof, police said. That wave of violence aimed at U.S. military bases throughout West Germany claimed four American lives and injured 51 others.

Rebels set up new base near western Afghan city

MESHED, Iran (Reuter). — Afghan rebels fighting the Soviet-backed government in Kabul have set up their first base in western Afghanistan in a bid to extend their control over areas near the Iranian border, a guerrilla spokesman said yesterday.

Bahauddin Zia'i, chief representative in Iran of the Jamiat-e-Islami guerrilla group, told of the base, at a secret location near the western Afghan city of Herat, in an interview with Reuters in this north-east Iranian city 170 kilometres from the Afghan border.

"In over two years of fighting we have always lacked a military base on the western front. If all goes according to plan, the new base will bring the whole area under our control," Zia'i said.

The rebels have several strongpoints in the mountainous north and east of Afghanistan, he added, but have never established themselves along the 800-kilometre border with Iran, where the terrain is more open.

The lack of cover has meant the rebels had to keep on the move and withdraw in the face of attacks by tanks and Soviet-made helicopter gunships, he said.

Zia'i said the rebels nevertheless had tenuous control over 90 per cent of the provinces bordering Iran, including half the city of Herat where they briefly seized the local barracks last year.

CIA reports on terrorism

WASHINGTON (AP). — A draft report prepared by the CIA strongly disagrees with President Ronald Reagan that the Soviet Union is a key supporter of international terrorism, government sources said Saturday.

The sources, who asked not to be identified, said the Central Intelligence Agency conclusion is contained in a draft of a national intelligence survey being circulated on Capitol Hill and within the administration. "It strongly disagrees with Reagan's and (Secretary of State Alexander) Haig's contention that the Soviets are behind international terrorism," a source said.

The sources said the CIA admits there is "circumstantial evidence" of Soviet involvement in terrorist activities, but insufficient "credible evidence."

"The (CIA) conclusion is a highly political one," one source said.

The sources declined to say exactly what data the CIA relied on, noting that much of it included classified secrets.

The assessments are contained in a report known as a National Intelligence Estimate. The final report is not expected to be made public.

Argentine president takes oath of office

BUENOS AIRES (UPI). — Retired general Roberto Viola took the oath of office yesterday as Argentina's 37th president, replacing Jorge Videla.

Viola swore to uphold the nation's constitution and the basic tenets of the military government.

A former member of the military junta and army commander, Viola was selected by the military junta in October 1980 to replace Videla, who served for five years. Viola's term will be 1981-1984.

Winners of London's first marathon, Dick Beardsley, left, and Inge Simonsen, cross finish line as joint winners yesterday. (UPI telephoto)

Arab states rank low on civil rights

Jerusalem Post Correspondent

NEW YORK. — Freedom House, a New York-based international organization which monitors human rights around the globe, concludes in its latest annual report that political freedom is still absent from most of the Arab world.

The report indicates that most Arab countries do not grant their citizens the basic political and civil rights. Saudi Arabia, Jordan, Libya and Iraq are each 6 on political rights and civil liberties on a scale of 1 to 7, with 7 the low point.

The "freedom status" in their countries is defined as "not free."

Israel is 2 on civil liberties and political rights and "free" on freedom status. Lebanon is ranked 4 on political and civil liberties and Egypt 5 on both issues. The two countries are defined as "partially free." By way of comparison, the U.S. and the UK are each 1 and 1.

700 delegates at Telem conference in New York

Jerusalem Post Correspondent

NEW YORK. — About 700 delegates are attending the first North American conference of Telem (the movement for Zionist fulfilmnt) which ends here tomorrow.

Telem was established in May, 1979 in San Francisco by a small group of young Zionist activists. Members were to commit themselves to make aliya within six years of joining the movement.

The unofficial founder of Telem is Uri Gordon, a Jewish Agency emissary to Los Angeles, who at Thurson's opening session characterized the Zionist Movement in America as a "tired establishment lacking any new ideas" which doesn't have the will and the power to revive the most important task of Zionism — aliya.

The Israel ambassador to Washington, Ephraim Evron, and Arye Dulzin, chairman of the Jewish Agency, expressed satisfaction over the phenomenon of Zionist activists who intend to make aliya.

Gordon told *The Jerusalem Post* that he considers Telem to be the "Vanguard of the Zionist movement" and repeated his suggestion to reorganize the Zionist movement around two centres of activity — those activists who help Israel in various ways but do not intend to make aliya and Telem — a movement committed to aliya.

Sport

Swinging mara

LONDON (UPI). — The marathon ended yesterday most amazing finish to the l tance run since Miltiades the distance. Dick Beard of the U.S. and Inge Simonsen Norway came to the finish Buckingham Palace as joi ners, hand in hand.

Beardsley said, "About from the finish, we just de cross the finish line toget looked at each other, wink linked hands."

Already sopping wet fr drenching rain, the two were then drenched an champagne.

They led a field in whi runners of both sexes and participated. Their tir 2.11.48.

Eighteen minutes later Smith of the U.K. became woman to finish.

Competitors and specta daunted by London's agreed that this marathon happening of the sporting

Unlucky calculati

Post Sports Report and Agencies

MADRID. — A mistake number of laps they still h may have cost Ethiopian the individual title in t cross-country champions here on Saturday. Olympic runner Mohammed Kedir his countrymen were well win as the end to the gr kilometre race approache ing he had completed number of laps he sprinte ly, and was later too tired the challenge of Americ Virgin, who thus regained he won last year. Grete Norway, 27, was crowned cross-country champion fourth successive time.

Of the three Israeli Yehuda Tsadok was the cessful, finishing 144 out men starters. Arieh Gam ped out at the three-quar Zehava Shmueli finished 116 starters in the women even race.

100 m. dash ruin

GAINESVILLE, Florida Harvey Glance, the athlete, is being depriv most phenomenal sprint history because of a brea the electronic timing Four judges, using clocked his 100-metre yesterday at 9.74 secon than 0.1 of a second faste present world record. B the breakdown, he wil credited with this time.

McEnroe the ma

MILAN (UPI). — John beat Bjorn Borg 7-6, 7- tiebreaker), 6-4 here yest win the $200,000 WCT ment. The score flatters B was out of touch through ing first serves and foreha from the baseline.

In the Stuttgart Indoo pionship, Czech Ivan L Chris Lewis 6-3, 6-0 in Shlomo Glickstein won S reaching the semifinals of nament. Even more impo added 24 ATP (Associatio nis Professionals) points to

Obliging batsman

ST JOHN'S, Antigua. — habitants of this lovely We island demanded a century memorate the first cricket to be played here from n Viv Richards, and the ma obliged.

The England bowlers gratified when Richards 114 out of the West Indian mid-afternoon of the third 301-7 in reply to England out.

Sporting dividends

The hatful of surprises day's football league yielded fruitful dividends four persons to have forec matches on the pools cou rectly. Each picks up IS12 correct forecasts were IS3,800 apiece, 11 — IS24 — IS31.

Whom to vote for?

The Alignment? — They're well represented in the Histadrut.

The Likud? — A failure and not to be taken seriously.

Shinui? — We don't need another DMC.

The gods have failed.

Strengthen the responsible element with roots in the Histadrut.

לע

Liberal Labour Movement

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DRIVE WISELY-DRIVE A FIAT

FIAT

ENTERTAINMENT

TELEVISION

EDUCATIONAL: 8.10 English 6 8.30 Special Education — Our Hour. 9.00 English 5 9.20 Geography 6 10.10 Nature 5-6 10.30 Programme for kindergarteners 11.10 English 7 11.30 Geography 7 12.00 English 8 12.25 Citizenship 7-9 12.45 High School Science 13.15 Literature: Hamlet (part 4) 15.00 Ma Pitom, Road Safety English 6, French (repeats) 16.00 Pinocchio 16.25 Documentary: The Eagle 16.45 Programme Trailer 17.00 Ot Ve-Od — TV game

CHILDREN PROGRAMMES:
17.30 3,4, 5½ — The King and the Guitar
17.50 DifFrent Strokes
18.15 Star Blazers

ARABIC-LANGUAGE programmes:
18.30 News roundup
18.32 Sports
19.27 Programme Trailer
19.30 News

HEBREW PROGRAMMES resume at 20.00 with a news roundup
20.03 That's My Secret — TV game
20.30 Eight Thirty — art and entertainment magazine
21.00 Mabat newsreel
21.30 Line of Justice. Dramatization of a rabbinical court case.
22.35 Paths. Repeat Broadcast of Shlomo Artzi performing in the Tel Aviv Tzavta Club
23.30 Almost Midnight

JORDAN TV (unofficial)
17.40 Cartoons 18.00 French Hour 18.30 (JTV 3) Thunderbird 19.00 News in Arabic 20.30 Here We Go Again 21.10 Elschied 22.00 News in English 22.15 Bestsellers 23.10 Documentary

ON THE AIR

First Programme

6.11 Musical Clock
7.07 (stereo): Donizetti: Linda di Chamonix Overture; Tartini-Kreisler: Sonata for Violin and Piano, Devil's Trill (Perlman); Mendelssohn: Symphony in C Minor, Excerpts (Masur); Bartok: For Children, Book 2, Excerpts
8.05 (stereo): Bartok: Two Orchestra Pieces (Dorati); Dvorak: Quintet in A Major, op.81; Gounod: Little Symphony for Wind Instruments; Stravinsky: Capriccio for Piano and Orchestra; Brahms: Variations on a Theme by Haydn (Boult)
10.05 (stereo): Mozart: Bastian and Bastienne, K.50
11.00 Sephardi Songs
11.15 Elementary School Broadcasts
11.30 Education for All
12.05 Chamber Music — Bach: Sonata for Flute Solo; Weber: Quintet for Clarinet and Strings (Melos); Arthur Benjamin: In Memory of Ravel
13.00 (stereo): Light Classical Music
14.10 Children's Programmes
15.30 World of Science
15.55 Notes on a New Book
16.05 (stereo): Bartok the Folklorist and the Pianist (part 2)
16.40 (stereo): Why I Love Bartok
17.35 Programmes for Olim
20.05 Everyman's University
20.35 Reflections on the portion of the week with Prof. Yeshayahu Leibowitz
21.00 Bartok Riddles (repeat)
21.35 Israeli musicians perform works by Bartok: Suite op.14; Suite on Hungarian Peasant Songs; Piano Sonata.
22.15 (stereo): The Record Shelf
23.15 (stereo): Jazz Improvisations
00.10 (stereo): Choral Music — Bartok; Cantata Profana (1930); Kodaly: Four Songs; Five European Folksongs

Second Programme

6.12 Gymnastics
6.22 Agricultural broadcasts
6.54 Green Light — drivers' corner
7.00 This Morning — news magazine
8.10 All Shades of the Network — morning magazine
12.05 Productive Pace — magazine for workers and employers
12.30 Hebrew songs
13.00 Midday — music, news commentary
14.10 Anything Goes
16.10 Health and Medicine magazine
17.10 Beautiful Land (repeat)
18.07 Of Men and Figures — economics magazine
18.48 Bible Reading — Jeremiah 39: 1-9
19.00 Today — people and events in the news
20.10 Sabbath songs
22.05 With People (repeat)
23.05 Health Line — a medical panel answers listeners' questions

Army

6.30 University on the Air. Dr. Shula Shahar discusses the role of women in the Middle Ages
7.07 Songs
8.05 IDF Morning newsreel
9.05 Right now — Yitzhak Ben-Ner's morning show
11.05 Israeli Spring — music, chat with Eli Yisraeli
12.45 Quarter to One — current affairs
14.05 Two Hours — music, art, cinema and theatre reviews, interviews, anecdotes
16.05 Four in the Afternoon
17.05 IDF Evening newsreel
18.05 Eretz Yisrael magazine
19.05 Needle in a Record Stack — new records and recordings
21.00 Mabat newsreel
21.35 University on the Air (repeat)
22.05 Jazz Hour
23.05 Students Ask (repeat)
00.05 Night Birds

BROADCASTS IN ENGLISH

7.00 (Fourth) *
14.00 (Fourth) *
17.00 (Fourth) *
20.00 (Fourth) *
* Fourth programme: 738 kHz. Jerusalem area 675; central Israel 1026.

VOICE OF AMERICA NEWS SHOWS

1259 kiloHertz
5-6 and 8-8.30 a.m. — Daily breakfast show with news, popular music and interviews.
11-12 p.m. — News, analysis and topical reports.
791 kiloHertz
6-8.30 a.m. — Daily breakfast show, as above.
9-10 p.m. — VOA magazine, with Americana, science and cultural news, roundup of news.

CINEMAS

JERUSALEM 4, 7, 9
Eden: McVicar Edison: Devotion's Victim (Turkish film); Habirah: Goldfinger; Kfir: Love Story; Mitchell: Tess 6, 9; Orion: Am Yisrael Hai; Oron: The Shining 4, 6.45, 9, adults only.; Ron: Hot Bubblegum; Semadar: A Very Moral Night 7, 9.15; Cinema 1: Julius Caesar 7; Elvis Presley in Las Vegas 9.15; Israel Museum: I Never Promised You a Rose Garden 6, 8.30; Cinematheque: Two Lane Blacktop 7; Serie Noire 9.30.

TEL AVIV 4.30, 7.15, 9.30
Allenby: Super Snooper; Ben-Yehuda: Seems Like Old Times; Chen: Joe the Busboy; Dekel: The Competition 7, 9.30; Drive-In: Mickey Mouse Golden Jubilee 6.15; The Last Flight of Noah's Ark 7.45; Apocalypse Now 9.30; Esther: The Shining 4.15, 7, 9.30; Gat: Sleeping Beauty 4.30, 6.30, 8.30; Gordon: Rashumon; Hod: Hopscotch; Limor: The Birds 4.30, 7, 9.30; Maxim: The Rocky Horror Picture Show; Mograbi: Nine to Five; Orly: Israel Forever; Paris: The Heiress 10, 12, 2, 4, 7.15, 9.30; Peer: Private Benjamin; Ramat Aviv: The Electric Horseman 7.15, 9.30; Shahaff: Hot Bubblegum; Studio: It's My Turn; Tchelet: The Elephant Man; Tel Aviv: Black Oak Conspiracy; Tel Aviv Museum: Confidence; Zafon: The Singer

HAIFA 4, 6.45, 9
Amphitheatre: Cattle Annie; Armon: Man Army; Atzmon: Seems Like Old Times; Chen: Joe; Galor: Friday the Thirteenth 10, 2, 7; The crazy adventures of Leo Coby 12, 4, 9; Keren Or: The Santini 4, 6.30, 9; Moriah: Nosseratu 9; Orah: Gloria; Orion: Joy of Sex adults only, nonstop; Orly: Hopscotch 6.45, 9; Peer: The Elephant Man 4 9; Ron: Hot Bubblegum; Shavit Yisrael Hai

RAMAT GAN
Armon: Flying High 4, 7, 9.30; Oasis: Circle of Two 7.15, 9.30; Savoy: F Robinson 4; Ordea: Hot Bubblegum 9.30; Ramat Gan: Brubaker 7, 9.30

HERZLIYA
David: Flying High 4, 7, 9.15; Tiferet: Chapter Two 7.15, 9.15

NETANYA
Esther: Israel Forever 7, 9.15

RAMAT HASHARON
Star: Close encounters of the third kind; The Rose 9.15 (not Tue.); Pete's Dragon (Tue., Thur.); Sweet Movie 9.15

هكذا من الأصل

Vol. CXXX—No. 44,902
Sunday, March 29, 1981

The New York Times

WEEKLY REVIEW

Printed and distributed in Israel in association with The Jerusalem Post

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A Nation At Stake

Poland's Fever Surges Toward A Critical Point

After seven months in the shadow of the rumbling volcano, Poland's experiment in union democracy seemed closer than ever to going the way of Pompeii. Under enormous pressure, the political cracks were widening and the next few days were likely to be crucial. The Communist Party Central Committee scheduled an emergency meeting for today, a general strike was planned for Tuesday, Warsaw Pact military maneuvers inside and adjoining Poland were extended indefinitely and shoppers went on a panic-buying binge. Nationwide food rationing will begin on Wednesday.

"This time we have one leg hanging over the precipice," admitted Lech Walesa. Millions of his Solidarity union followers staged a disciplined, four-hour "warning" strike Friday, the largest organized protest since Poland became Communist 36 years ago.

Union leaders met with Government officials after the protest Friday for three hours, sat down for another three hours yesterday and then adjourned until tomorrow. No breakthrough was achieved though Solidarity sources said the Government was rewriting a report on the incident that provoked the crisis — the March 19 beating of union activists in Bydgoszcz — to reflect union views.

"It is not an impasse," said Solidarity's second-in-command, Andrzej Gwiazda. "I think that Solidarity is also ready for compromise and is aware of the importance of the situation," said Deputy Prime Minister Mieczyslaw Rakowski, the chief Government negotiator.

Leaders on both sides met with Stefan Cardinal Wyszynski. The Vatican published a letter from Pope John Paul II to the Polish primate stressing the "common opinion of nations who love peace" that the Poles had an "unalienable right to resolve their problems by themselves."

Hopes for compromise were swiftly dimmed, however, by Moscow. The official Tass press agency, in a statement read over Soviet television last night, declared flatly that Solidarity — which has insisted that Government officials implicated in the Bydgoszcz beatings be fired — was making "unacceptable" political demands. It repeated accusations that Polish dissidents had taken control of Solidarity and were using the union for political ends.

The categorical statement could be read as a justification for Soviet intervention. It seemed timed to strengthen hard-liners before today's crucial meeting of the Polish party Central Committee. Earlier, Tass condemned Solidarity's "anti-Socialist, antipeople" policies, adding that Polish dissidents had created "chaos and anarchy." The East German news agency, more virulently, said Solidarity was printing threats to kill party leaders.

If the general strike takes place, Western diplomats in Warsaw said the Government may declare a state of emergency and use the army to keep services running, risking civil conflict.

President Reagan said the situation was "very serious, very tense." Secretary of State Alexander M. Haig Jr. said hard-liners were regaining control, in a "very dangerous, very bad" split in the Polish party. If the Russians invade, détente would crumble; so would prospects for further credits, trade and arms control talks, Washington and its European allies warned.

But in Warsaw, union leader Walesa told his followers: "Nobody will make us work from the barrel of a gun."

Counting Noses and Cutting the Budget

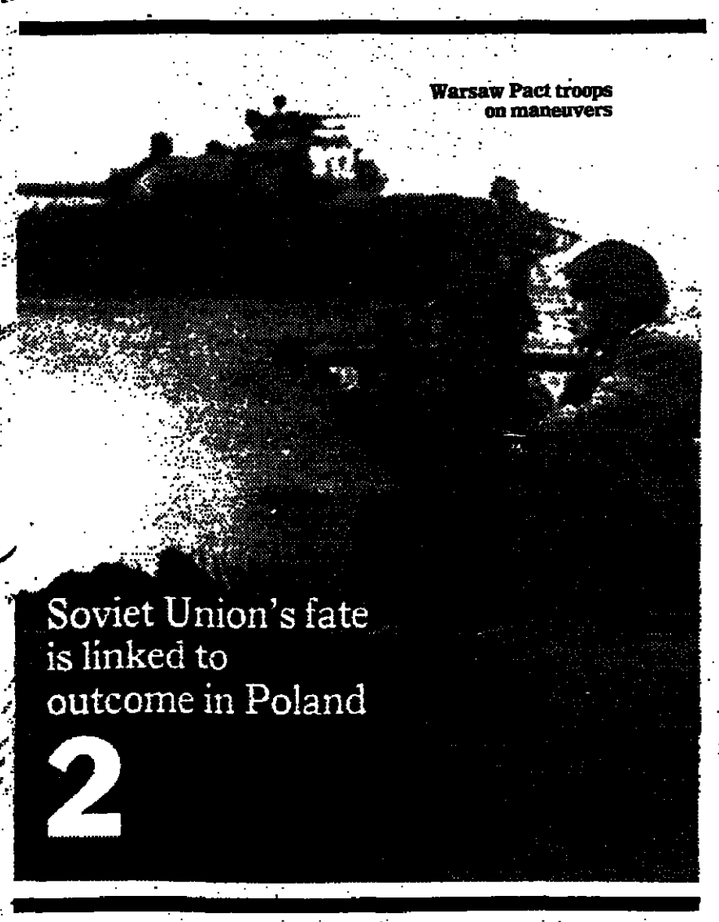
It was mop-up time on the Senate floor last week. And as debate began on cutting the budget, the best the outgunned Democrats could do was offer up what *Minority Whip Alan Cranston*, who can count noses as well as anybody, called "a sort of a consensus package." Counterproposals to restore about $4 billion of the $36.4 billion the Budget Committee wants to cut from fiscal 1982 spending, he admitted, were certain to be voted down.

With their sort-of package going nowhere, Democrats concentrated on staging votes to force Republicans into hard-hearted stands — who responded with hard-fisted tactics, retaliating for success in getting Republicans to vote against restoring funds for veterans by trapping Democrats into cutting foreign aid by $200 million to put $200 million back into school lunches.

The Democratic House, meanwhile, helped give the Administration an easy one by approving a Senate-backed proposal to save $147 million by skipping the April 1 milk price support increase *(Milk politics, page 3)*. Otherwise, though, House leaders said their definition of Federal fat will likely differ significantly. *(Budget-making in the House, page 3.)* And the Kemp-Roth tax cut plan seemed headed for interment. Ways and Means chairman Dan Rostenkowski predicted that his committee will adopt a year's worth of cuts, not the three-year, 30-percent package the White House favors. Though a White House spokesman later refused to go so far, *budget director David A. Stockman predicted the President would* veto a one-year tax cut.

Earlier, the ubiquitous Mr. Stockman, rarely at a loss for a dictum, asserted: "The idea that's been established over the last 10 years that almost every service that someone might need in life ought to be provided, financed by the Government as a matter of basic rights, is wrong." When Treasury Secretary Donald T. Regan remarked that Mr. Stockman "had gone a little too far," he was left dangling by the President's press secretary's statement that, in this case, Mr. Stockman was right on the money.

Though not in the same seismic range as the uproar over the Vicar of Foggy Bottom, Republicans other than the Secretary of State managed to squeeze in tiffs. To keep the Senate's attention focused on fiscal matters, Majority Leader Howard H. Baker Jr. announced that Republicans had agreed to postpone consideration of measures dealing with abortion and prayer-in-the-schools until 1982. But many prominent conservatives, including Senator Jesse Helms, had other ideas. "There will be a proper mix of issues this year," he insisted.



Warsaw Pact troops on maneuvers

Soviet Union's fate is linked to outcome in Poland

2

Sygma / Michel Philippot

Solidarity leader Lech Walesa (right); Polish workers in Radom listen to news broadcast about strike developments.

Do-or-Die Factions May Get Their Chance

By JOHN DARNTON

WARSAW — The incident that sparked Poland's latest and deepest crisis has not been fully explained.

A large group of Solidarity and farmers' union activists came to a meeting of the Voivode National Council, a local assembly, in Bydgoszcz 10 days ago. Some were invited, but not all. The meeting was adjourned before it reached the agenda item on which they wanted to speak. They rose, shouted "traitors" and refused to go. They were given several ultimatums and finally, after a large crowd gathered outside, the police were called in. They evicted the unionists, isolating three men, including a Solidarity leader, Jan Rulewksi, in a back corridor. At that point "hoodlums" in street clothes — undoubtedly secret police — moved in to administer thrashings so brutal that the three had to be hospitalized.

Beatings of this sort are not unknown in Eastern Europe, or for that matter in the back rooms of American police stations. So why did the brutality raise up such a storm of protest and bring Poland to its moment of truth, with the union planning a general strike Tuesday at a time when economic deprivations have turned the country into a tinderbox and Warsaw Pact troops are engaged in prolonged military exercises inside and outside its borders?

One reason is that the incident was not isolated. There have been other attacks, though none so brazen, on individual unionists, mainly members of the "Rural Solidarity" farmers' organization. There have also been mysterious occurrences such as the circulation of anonymous leaflets calling for the assassination of various officials and the patrolling of neighborhoods by trucks whose public address systems warn residents, falsely, that their water will be turned off during the next strike. To Solidarity, all this connotes a deliberate campaign of "disinformation" and provocation, the sort of thing that the Ministry of the Interior, which is deeply infiltrated by the Soviet KGB, has specialized in for decades.

It is virtually inconceivable, given the country's tension, the top leaders' policy of resolving disputes without force and the elaborate bureaucratic command structure, that the deputy governor in Bydgoszcz would make a decision to call in the police without checking first with someone in Warsaw.

The union has chosen a militant response not just to assuage the anger of its members, but to rid the Communist apparatus once and for all of Solidarity's diehard opponents. "We will smoke them out like rats," Lech Walesa promised workers during Friday's four-hour "warning" strike.

An Open Letter to the Party

The union is not alone in its assessment. Official and semiofficial organizations throughout Poland last week churned out statements calling for "common sense," but also for a "thorough explanation" of the Bydgoszcz affair, which is code for exposure of higher officials who may be involved.

In an open letter to party colleagues called, "Which way will we choose?" Stefan Bratkowski, the head of the journalists' union, said: "This is the last chance for those who would like to turn the party back from the road of agreement and lead our nation unavoidably to catastrophe. These are the people who don't want to come to agreement even with the party rank and file, are afraid of them and are attempting at all costs to delay the party congress."

"I am speaking openly," he continued. "We counted on Comrades Kania and Barcikowski [the party first secretary and a ranking Politburo member] and we see no alternative to Gen. Jaruzelski's Government. These people can still obtain the acceptance of most of the nation for the policy of social agreement. . . . I do not see any other way for our party — the other route leads to the political cemetary." Rumor has it that an early draft of Mr. Bratkowski's letter contained the names of six high officials whom he deemed obstructionist to the country's "odnowa," or democratic renewal.

The workings and decisions of the 10-man Politburo are secret, and outsiders can only guess at the inclinations of its members. However, most Poles and Western diplomats identify as "hard-liners" Stefan Olszowksi, Tadeusz Grabski, Andzrej Zabinski and Henryk Jablonski. Gen. Mieczyslaw Moczar, who reportedly is ill, is regarded as powerful but unfathomable, capable of swinging to either side.

But Solidarity's real opponents are more deeply embedded in the power structure, at the next level down in the Central Committee, in the Warsaw party organization, in the security services and the party apparatus's middle ranks. These are the implementers of party policy, without whose support dictums from the top can become so many pieces of paper.

The party's seeming vacillation in the past seven months — adopting a hard stand and then suddenly capitulating to union demands — is a reflection of its divisions rather than simple indecisiveness. The divisions are accentuated during crises. When the Soviet bloc sharpens its tirades against Solidarity, as it did last week, the hard-liners feel vindicated and emboldened and reassert themselves.

Because this crisis is the most severe so far, a Central Committee meeting scheduled today could be a watershed. Each preceding plenum has seen a purge of hard-liners associated with the former leader, Edward Gierek, and a creeping consolidation of moderates headed by Stanislaw Kania. Whether that process will continue cannot be predicted.

On the union side, the crisis has also accentuated rifts in the leadership. "If things continue like this," Mr. Walesa said at one point last week, "the authorities will not be able to exercise full control over themselves and we will not be able to either."

More and more, the heads of local Solidarity chapters from places like Czestochowa, Bielsko-Biala and Warsaw are responding to rank-and-file pressures and embracing the now-or-never approach that the union should press ahead in a final confrontation with the Government.

So far, Mr. Walesa, like Mr. Kania, has been able to swing his organization toward moderation. On Tuesday, he averted a call for an immediate general strike by threatening to resign. It is a stratagem that may not be allowed to work a second time.

Secretary Haig's Reach Exceeds His Grasp

By HEDRICK SMITH

WASHINGTON — About 11 P.M. Tuesday, after a long, bruising day of trench warfare with Secretary of State Alexander M. Haig Jr., the White House was uncertain whether he would resign. Dave Gergen, a top White House official, telephoned William Dyess, an aide to Mr. Haig, to ask: "Is he or isn't he?"

It was a pivotal moment in a bureaucratic battle that almost turned the first-ranking member of the Reagan Cabinet into its first political fatality, the victim partly of his own urge to take full command in an Administration where the President reserves that power to himself and expects from his Cabinet the collegial give-and-take of team play.

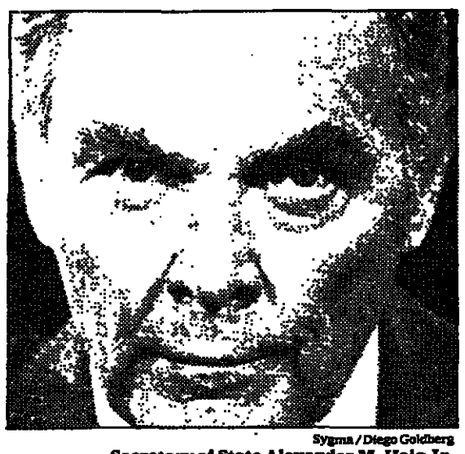
The showdown was over power and prerogatives rather than over policies. Mr. Haig shares Mr. Reagan's broad foreign policy objectives. But his confrontational assertiveness rubbed against the more relaxed style of the President, who apparently had promised his Secretary of State more authority than he really wanted to surrender to any one man, and then shied away from curbing Mr. Haig until he himself felt challenged.

The flareup also suggested a serious communications breakdown in an Administration that has made a fetish of Cabinet consultations. Mr. Haig adamantly asserted that he only learned of an imminent decision to put Vice President Bush in charge of crisis management in last Sunday's newspapers, though the issue had been discussed internally for weeks and was first reported as decided on Feb. 27.

The former general and NATO commander could hardly have chosen a more awkward time to go public with his protest, which helps explain the swift and *stern White House reprisal. The President's aides* thought they had finally tamped down the Cabinet dispute over Japanese auto imports and had begun to lessen public anxieties over military aid to El Salvador. Now they could get back to the main job of selling the President's economic recovery program.

They were shocked and angered, therefore, by Mr. Haig's public burst of frustration over the plan to appoint Mr. Bush. The White House felt the matter had been settled last month, but it dawdled in issuing a Presidential directive, allowing the matter to fester because Mr. Haig felt it would encroach on his authority as the "chief formulator and spokesman for foreign policy," in Mr. Reagan's own phrase.

Events raced to a climax Tuesday when the Secretary declared before a House Foreign Affairs subcommittee that he was "not totally satisfied" with *the Administration's foreign policy setup and that he* had read press reports of Mr. Bush's imminent appointment with "a lack of enthusiasm." When he added that such a decision "would pose another set of problems," White House officials perceived this as a veiled threat that he might resign.



Sygma / Diego Goldberg

Secretary of State Alexander M. Haig Jr.

The White House felt compelled to check Mr. Haig quickly, even at the risk of resignation. For Mr. Haig, however, the sequence of events was baffling. During an afternoon meeting at the White House — *officials there still evidently uninformed about his* morning remarks — President Reagan reportedly told him: "All this stuff in the press is a fabrication: You're my guy." Mr. Haig interpreted that to mean that Mr. Bush might not get the crisis job after all.

White House anger burst almost instantly afterward. In time for the evening news shows, the President appointed Mr. Bush to take charge of the White House situation room and to engage in "forward planning for emergency responses." According to the White House, the President called Mr. Haig shortly after 5 P.M. to inform him of the decision. But State Department officials said that message did not come through and that Mr. Haig only learned of the President's action at 6:20 P.M. — from a news report. At first, he refused to believe it. Later, he was so wounded that he hovered on the brink of resigna*tion. It took predawn peacemaking and a 45-minute* Reagan-Haig session Wednesday to keep him from stalking out of the Administration.

Mr. Haig's associates contend that ever since he submitted a bureaucratic manifesto on Inauguration Day, requesting personal domination of the foreign policy apparatus, the White House staff has been out to "clip his wings." To others, however, Mr. Haig's wounds seem largely self-inflicted, the product of poor tactical judgment and exaggerated designs. He has tried to broaden the State Department's reach at a time when the growing interrelationship between diplomacy and domestic politics on such issues as energy, auto imports and immigration made the White House reluctant to delegate this huge domain to diplomats alone.

The President apparently contributed to Mr. Haig's misreading by his own ambiguity. In choosing his Secretary of State, Mr. Reagan had spoken grandly of the sweeping authority he was vesting in Mr. Haig. His vague, "You're my guy" comment deepened Mr. Haig's shock later that day.

Rather airily, too, Mr. Reagan now contends that there is "no conflict whatsoever" between the new Bush assignment and Mr. Haig's overall supervision of foreign affairs, though a similar division of responsibilities fed power rivalries in other administrations. Zbigniew Brzezinski, President Carter's national security adviser, used crisis management to formulate a new strategy for the Persian Gulf, outmanuevering the State and Defense Departments. The new setup also has built-in potential for future tensions and rivalries.

For the moment, Mr. Haig's loss has been Mr. Bush's gain, though the Vice President apparently did not push for the crisis job or the other diplomatic assignments he has landed, such as heading preparations for the Western economic summit in Canada this summer. The other obvious gainers in terms of the intangible coin of political influence were Edwin Meese 3d, the President's counselor, and James A. Baker 3d, the White House chief of staff. In their first test of strength with the most renowned member of the Reagan Cabinet, they demonstrated that in spite of all Mr. Reagan's talk of Cabinet government, power remains strongly centered at the White House. It is surprising that Mr. Haig, President Nixon's chief of staff and thus familiar with such infighting, should have underestimated their power.

The White House lavished praise on the Secretary of State late in the week. Yet the price for not having settled the affair far more quickly and quietly has been to show disarray in an Administration that has heretofore prized harmony and unity, and to open political wounds that will take time to heal.

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The World

In Summary

Less Reticent White House Acts On Military Aid

The Reagan Administration began putting its foreign aid philosophy into practice last week, untying Carter Administration strings from proposed arms aid to Pakistan and Morocco, while in Zimbabwe it acknowledged black African apprehension over its intentions by increasing economic help.

The three-year promise of $225 million for Zimbabwe — a substantial chunk of the $1.9 billion pledged by all foreign donors and 50 percent above Carter aid levels — followed an intensive Africa policy review. Administration officials said yesterday that the White House would announce, perhaps tomorrow, that Chester Crocker, the Assistant Secretary of State designate

Gen. Mohammad Zia ul-Haq

for African Affairs, will visit southern Africa. Besides South Africa, he is to visit black "frontline" states and assure them that the Administration does not intend to abandon the search for majority rule and independence for South-West Africa.

Sympathetic statements about South Africa by President Reagan have contributed to black Africans' perception of a United States tilt toward the white minority regime. So did the recent visit to the United States of South African military intelligence officers who met with Jeane J. Kirkpatrick, the chief delegate to the United Nations, among other American officials. Unimpressed by official explanations that Mrs. Kirkpatrick had not known exactly with whom she was meeting, the Congressional Black Caucus demanded her resignation.

On aid to Pakistan, the Reagan Administration has asked Congress to modify a ban on assistance imposed because of Pakistan's nuclear weapons potential. So far, Pakistan seems reluctant to accept a tentative American offer of $400 million in military credits and $100 million in economic aid. Talks will continue with Washington trying to avert the embarrassment Jimmy Carter suffered when President Mohammad Zia ul-Haq rejected as "peanuts" his $200 million offer.

As for Morocco, the Administration said it would receive American tanks and planes on the same basis as "other friends." The Carter Administration had pressured Rabat to "qualify" for aid by making peace moves in its war with Polisario guerrillas in the Western Sahara.

Face in the Crowd Of Smiley's People

Prime Minister Margaret Thatcher confirmed last week what devotees of British spy thrillers thought they already knew — that Moscow's moles once burrowed deep into British intelligence centers, not incidentally compromising secrets of their North American "cousins." But these were "events which occurred many years ago," Mrs. Thatcher said, putting down reports of past treachery serialized in London by The Daily Mail. Procedures since introduced "have substantially reduced," she said, "the threat of penetration."

It was true that Sir Roger Hollis, the imperturbable chief for nine Cold War years of M.I. 5, the counterintelligence branch, was suspected as a double agent. But high-level investigations, before and after Sir Roger died in 1975, convinced the Government that "he had not been an agent of the Russian intelligence service," Mrs. Thatcher said. Suspicious circumstances "could be explained by reference to Philby or Blunt." H.A.R. Philby, a senior British intelligence officer, defected to Moscow in 1951. Anthony Blunt, curator of the Queen's art collection, confessed in 1964 that he had been a Soviet agent; this was hushed up until 1979.

Sir Harold Wilson, Labor Party Prime Minister when Sir Roger was cleared in 1974 by Lord Trend, a retired senior official, supported Mrs. Thatcher. She added that there was both truth and falsity in other published allegations that highly placed Britons (including Tom Driberg, a former Labor Party chairman who died in 1976) had been Soviet agents. But she declined to identify the innocent or the guilty. Noting that 20 years had passed since outsiders last scrutinized the security of British security, she ordered a new review. She also ordered an investigation into how the author of the latest allegations, Chapman Pincher, obtained his information.

Salvador Aid Grows So Does Opposition

Mail opposing more United States arms for El Salvador was piled high on his desk last week when Representative Silvio O. Conte, Republican of Massachusetts, voted for $5 million more in military aid. The request, for this fiscal year, passed a House appropriations subcommittee by an 8-to-7 vote; under Congressional rules, no higher approval is required.

Explaining why he had gone against the wishes of his constituents, Mr. Conte said he felt obliged to support the President because, "This is the first foreign policy issue that the Administration has had out of the box."

Many Americans wish Washington would slam the lid, however. On college campuses and in cities throughout the country, demonstrators last week protested President Reagan's decision to send 54 military advisers and $25 million in arms to a regime whose war against leftist guerrillas has been blemished by its own terrorism. A Gallup poll found that two out of three Americans who knew about the war feared it would become "another Vietnam." White House mail was running 10-to-1 against Administration policy.

Mr. Conte, the ranking Republican on the House Appropriations Committee, said he would not approve further military aid until the Salvadoran Government caught and punished the murderers of four American missionaries and "no longer permitted its security forces to kill innocent civilians."

The junta's guerrilla opponents protested in their own way, bombarding the United States Embassy with submachine guns and rocket-propelled grenades. The fourth such attack in three weeks, it caused extensive damage but no casualties.

Measured Reply To Basque Attacks

Although military extremists failed in February to overthrow Spanish democracy, Basque extremists have been taunting them to try it again. In the past 10 days, they have murdered two army colonels. In reaction, the Government last week gave in to military pressure and deployed army troops in the Basque provinces and on Spain's porous border with France.

It also promised to expedite legislation allowing for the detention of alleged terrorist informants and to introduce a bill defining and authorizing — in order of gravity — a state of alarm, a state of emergency and a state of siege.

Seeking to provoke repression in the belief that it will lead to separatist revolution, the so-called military wing of E.T.A. (Basque Homeland and Liberty) was probably as disappointed as army hard-liners that Prime Minister Leopoldo Calvo Sotelo didn't immediately declare a state of alarm. That step would have suspended constitutional guarantees and throttled fledgling Basque home rule. However, the Prime Minister is trying to calm the armed forces without alienating the Basque majority, which has grown increasingly opposed to E.T.A. terror.

The middle course is strongly supported by King Juan Carlos, who summoned the heads of Spain's armed forces last week and warned them not to rise to provocation. Basque terrorism, he said, was aimed at splitting their ranks "so that nerves crack and serenity is lost."

China Gets a New Script From Reagan

Alexander M. Haig Jr. also won one last week. Though denied the role of foreign policy "crisis manager," the Secretary of State prevailed on a substantive foreign policy issue and persuaded President Reagan to reassure Peking that the United States would not jeopardize ties with China by forging tighter links with Taiwan.

Former President Ford delivered the message last week to China's leader, Deng Xiaoping. At Mr. Haig's urging, President Reagan received China's Ambassador, Chai Zemin, at the White House 10 days ago in what was believed to be his first extended discussion with a Peking official. Mr. Reagan had pledged during his campaign to move closer to Taiwan.

The Chinese, still in the economic doldrums and with lingering political feuds, regarded Mr. Reagan's election with unease. They were particularly worried that the Administration would sell Taiwan advanced fighter planes.

Mr. Ford, at the end of his visit, told reporters he was "absolutely confident" that China and the United States could resolve their differences, including "the problem of arms sales to Taiwan." Mr. Ford said he would make "specific recommendations" on the issue, which he implied included supplying arms technology to Peking.

Barbara Slavin
and Milt Freudenheim

The Consequences Seem Staggering, Whatever Course Kremlin Decides

Associated Press

Polish Prime Minister Wojciech Jaruzelski (second from right) and Warsaw Pact commanders watching maneuvers in south-central Poland last week

Soviet Fate Is Linked To Poland's

By FLORA LEWIS

PARIS — Poland's internal crisis last week confronted Soviet leaders once again with an agonizing decision. There is no easy answer for Moscow, no comfortable solution.

So far, the Russians have operated quietly to meet the challenges from Poland, and Poles have contained explosive passions so as to avoid open provocation. Moscow has said that it is up to the Polish regime to ensure the maintenance of Communist power and the fulfillment of obligations to the Warsaw Pact. But the threat of Red Army intervention, as in Hungary in 1956 and Czechoslovakia in 1968, has always been implicit, if Polish authorities lose control.

The rub, and the key to the situation, is that the Polish Communist Party is torn and disoriented, aware that far-reaching reform is the only hope for rebuilding the shattered economy and therefore for tranquility, but fearful of its ability to manage the country with limited powers and of retribution for past sins if it loosens the reins.

No Communist country, least of all the Soviet Union, has experience ruling in cooperation with independent unions and eschewing force as the Polish workers demand. Many assume it simply can't be done, but that also is yet to be proven. The very thought is deeply distasteful to East bloc leaders.

But for the Russians, the dangers of repression and an imposed military solution are also great. The United States and Western Europeans have repeatedly warned that the gravest consequences would follow. At stake are credits, technology, the carefully controlled exchanges the Soviets want, to improve their economy and keep their people quiet.

At stake also is the East-West military balance. Nobody has suggested that the West might send arms to embattled Poles. That didn't happen in Hungary and was one reason for the paucity of resistance in Czechoslovakia. But a Soviet move would change the already gloomy climate, probably killing nuclear arms control talks and enhancing the likelihood of American missiles capable of reaching Russian soil being installed in Western Europe. It would give a green light to an intensive new arms race.

The Reagan Administration, already being urged to sell modern arms to China, would come under heavy domestic pressure to enlarge and accelerate deliveries. Zbigniew Brzezinski, the former national security adviser, made such a threat in December. When he thought the Russians were ready to roll into Poland, he ordered the Defense Department to circulate, under a low secrecy classification, a list of offensive weapons which could be sent to China, on the assumption that the list would come to Soviet attention.

And nobody knows what the Poles, including their armed forces, would do if Moscow acts. Doubtless, the Russians would take massive measures if the Red Army moves at all; they have shown that they go after flies with sledgehammers. The tension has been long and fatiguing, but the Poles are feisty people, traditionally anti-Russian. There has been time for the emergence of leaders and organizations that could mount a resistance movement, threatening guerrilla warfare which would unleash passions with unforeseen consequences around the world.

Guessing at White House Intentions

Poland's workers and farmers could bring faltering production to a halt. Moscow and its allies would have to assume the staggering economic burden of an occupation. Indulgence from Western creditors — required to avert Polish bankruptcy — would be withdrawn. Poland's external debt has reached $27 billion, presenting a further dilemma. The Russians have always maintained their credit standing; Poland's towering debt grew on the assumption that Moscow is the payer of last resort. Letting Poland default would be a huge stain on Moscow's credit, but assuming Poland's debt would be a huge strain.

Amid the uncertainty and fears, some informed Poles are asking whether the Reagan Administration isn't secretly hoping the Russians will intervene. That would support arguments in the West that the temperature can only be cold war. If this is being said in Warsaw, Moscow, too, must be questioning Washington's real view. But the opposite tack, letting the Poles force liberalization, has implications even more distressing for Moscow. It should not be assumed that the Soviet establishment reacts with monolithic horror at the thought of reform in Poland. Some Russians chafe secretly at stultification; some people in the next leadership generation would mind if Poland's experiment pointed the way to more efficient Communist rule — provided that the Communist Party continued to be dominant.

But is that an insoluble contradiction? If there is margin for maneuver, it would threaten the power of hard-liners running the Kremlin and other Communist states. But if Poland continues challenging absolute, unresponsive party rule, this could lead to the collapse of Communist rule itself. For Communist theoreticians, this is ticklish. While rejecting the Leninist idea of unquestionable party supremacy, Polish workers are doing so from the Marxist notion of the right of workers and peasants (not capital) to an effective voice. Marxism and Leninism are being split by the very "forces of life" that Communists like to use as "irrefutable" arguments.

There are also immediate implications for the battle of succession to the ailing Leonid I. Brezhnev, a focal point of what must be intense internal pressures. If military intervention is chosen for Poland, aspirants to supreme power who are closest to the military will improve their position. But if it is rejected in favor of allowing Polish reform to proceed, the military may find their wings clipped somewhat when the successor regime settles down.

All these factors have to be weighed in Moscow. They are so intricate that no computer could program the variables. Somewhere, there is a point where the Russians will find a clear choice of advantage among balanced risks. Repressive East bloc leaders such as East Germans and Czechs, who already feel intolerably threatened, probably will have something to say about setting it. But nothing should be considered inevitable. Again, as often before in history, Poland's fate involves the world.

Indian Spice Jar: Gossip and the Gandhis

By MICHAEL T. KAUFMAN

Prime Minister Indira Gandhi, her son Rajiv (back, left) and Swami Dhirendra Brahmachari

Gamma-Liaison/François Lochon; Contact/Dilip Mehta; Sygma/Bal

NEW DELHI — For the columnists, editors, partygoers and social climbers who feed India's voracious appetite for gossip, Prime Minister Indira Gandhi, her family and her aides are a richer source than even the film community of Bombay. All the juicy rumors of court politics are passed from wedding receptions to embassy gatherings, attracting the attention of industrialists and cab drivers alike. Often the tidbits emerge in the tabloids and then percolate into the weeklies and monthlies, gaining exposure, if not credibility.

Do demotions of highly placed followers of Mrs. Gandhi's late son Sanjay — the latest occurred last week — signal the end of his cult? Is Sanjay's brother Rajiv about to launch his own political career? Was Rajiv's friendship with a foreign businessman a factor in a controversial contract award? And has the entire Gandhi family come under the spell of a mysterious swami, likened by some writers to Rasputin?

Such questions and their implied answers diminish and distort what is, after all, a highly complex and, in many ways, sophisticated government. But the titillating stories and the endless fascination with Mrs. Gandhi reflect the undeniable fact that she alone is at the center of the democratic state, unchallenged by any rival. In private conversation, Mrs. Gandhi has lamented her loss of privacy, but she has also played to the gallery, understanding that, in India, myths and imperial manners are an instrument of rule. She is, after all, worshiped in many households as a devi, or goddess. This majesty, supported by her status as the daughter of Jawaharlal Nehru, was, according to political scientists, the principal reason that voters returned her to power 14 months ago, after they had cast her out in humiliation two years earlier. Now, as she juggles India's many problems, her opponents are helpless and most eyes are riveted on her.

Last month, Mrs. Gandhi flew in a helicopter over hundreds of thousands of religious Jains who had gathered to anoint a 58-foot-high, 1,000-year-old idol. She dropped flower petals on the statue, which was being washed in milk and honey. A week earlier she addressed hundreds of thousands of peasants who had been brought to the capital essentially to show that they liked her and she liked them. During the recent conference of nonaligned nations, she welcomed the delegates with evenhanded professionalism.

Many diplomats say Mrs. Gandhi now appears more confident than at any time since Sanjay was killed in a plane crash last summer. Several months ago, diplomats who spoke with her expressed concern for her health. They described her as having trouble focusing on conversations and there were reports that she was frequently visiting shrines and relying on religious masters. Hindus believe that the soul of a person who dies in an accident, before his destined time, wanders restlessly; relatives often participate in ceremonies and prayers intended to gain peace for the dead. It is not known if Mrs. Gandhi, who has often professed a modern secularism, sought solace in this way, but it would not be extraordinary in this country where nuclear physicists accept the divinity of living men and industrialists schedule marriages and mergers on days recommended by astrologers.

Against this background, gossip purveyors seized on Dhirendra Brahmachari, a tall and well-built yoga instructor and businessman who was often seen with Mrs. Gandhi and Sanjay. He describes himself as a teacher of yoga to the Nehru family and, like many retainers, his fortunes have paralleled those of the Prime Minister. Before she was voted out in 1977, he actively supported Sanjay's controversial slum clearance and birth control drives. He built an expensive ashram and traveled in imported automobiles and airplanes. After her fall, he was charged with influence-peddling and was also sued for alienation of affections by the husband of a woman at his ashram. The cloud lifted with Mrs. Gandhi's return to power and the swami said, "I was victimized only because I was close to the Gandhi family." Now, he has a regular radio show about yoga exercises, but since a spate of magazine articles appeared about him a few months ago, he has lost visibility.

Interest has focused more on Rajiv Gandhi, Mrs. Gandhi's surviving son, an airline pilot. "Will he or won't he follow the course of his younger brother?" ask the gossips. Rajiv, while a dutiful son, apparently has been happy in his work and free of ambition for power. He has shown a deep loathing for crowds and political life and reportedly promised his Italian wife, Sonia, that she was marrying a man and not a dynasty. Recently, however, there have been signs that Rajiv is helping his mother to break out of the political isolation that grew through her dependence on Sanjay. Last week, Vidya Charan Shukla, a close associate of Sanjay and his codefendant in a case involving the theft and destruction of a film parodying Mrs. Gandhi, was dismissed as Minister of Civil Supplies. Another Sanjay loyalist, Jag Mohan, who has leapfrogged over senior officials to a coveted post in the New Delhi city government, was moved without explanation to distant Goa. In November, N. K. Singh, an aide to the Secretary of Commerce, was assigned to Tokyo. Some observers believe such transfers reflect Rajiv's influence.

Mrs. Gandhi, according to her American biographer, Mary Carras, a Rutgers University professor, has turned to businessmen and intellectuals for counsel. She has also reached out to old friends and confidants, many of them fellow Kashmiri Brahmins. They include T. K. Kaul, a pro-Soviet former ambassador, and B. K. Nehru, a state governor.

Rajiv Gandhi has appeared at a few businessmen' meetings and there have been seemingly orchestrated appeals for his entry into politics. Some of his mother's press critics have hinted that he was already active in backroom politics and that an Italian businessman friend of Rajiv's was helped in obtaining a contract for a chemical plant.

But while Rajiv wavers, Hamlet-like, the work of government continues. And while Mrs. Gandhi has been beset by a succession of agitations involving farm prices, student unrest and conflict in the State of Gujarat over job and university reservations for low-caste people, each has sputtered without galvanizing national opposition. Mrs. Gandhi, meanwhile, has gained authority and command.

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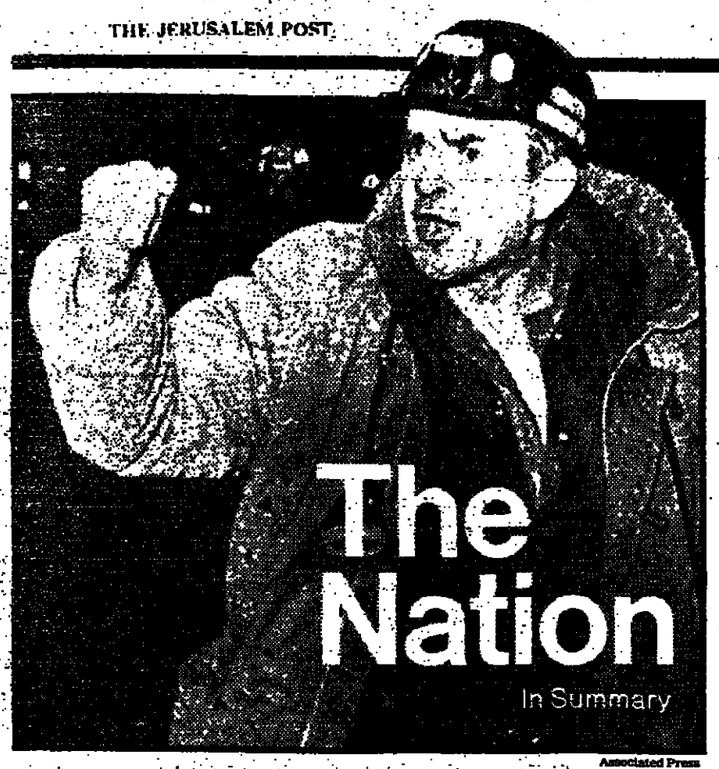


Associated Press

A coal miner opposed to the tentative contract with coal operators walks off his shift last week in Greene County, Pa.

Outbreak of Reason Produces Contract For Coal Miners

Only two days before deadline and a half dozen sticky differences remaining, union and coal company negotiators last week found that the prospect of losses and the visions of gains wonderfully concentrated their minds. In five hours of overnight bargaining, they produced a new contract for the 160,000 miners who dig almost half the nation's coal and sent it to the fields for ratification.

Who won? On the face of it, the United Mine Workers. Though a ritual strike is under way (the old contract expired at 12:01 A.M. Friday, and it is part of the miners' ethic not to work until the new agreement is formally voted in), all that is expected to be lost are the wages of a long weekend. Approval of the new pact in midweek would bring the first of a series of wage increases the union estimates will top 36 percent over three years; in 1977-78, the strike cost them 111 days. Among other significant victories there was a high symbol: The ban against Sunday mining was preserved.

In the end, however, the Bituminous Coal Operators Association's perspective could prove to have been the longer. With the nation's coal potential nearly twice the proven oil reserves of the Middle East and half as costly, Big Coal's main interest is proving itself a stable source of supply to an energy-hungry world. A lengthy strike would be bad PR, and anyway the cost of the wage and benefit increases could well be recovered soon.

That is because the union's share of coal output is already down 36 percent of the total in the last 10 years, and the industry won their demand that they be able to buy cheaper nonunion coal for resale — say, to the growing export market — without paying a royalty to the U.M.W. Some miners are worried that that means union coal might be edged farther out into the cold.

Watch Out, It's The Economic Flu

When a leading bank's chief economist "wouldn't want to jump to the conclusion that recession is here" and the chairman of the Federal Reserve says it could be a "rotten year" and the head of the President's Council of Economic Advisers says he expects "several more months of disappointing price performance," what have you got? A week when comments on the economy were as telling as reports on it. That familiar trouble is back — indeterminacy about how stag, and how flated, the stagflation will get this time around.

The index of leading indicators, designed to predict the course of the economy and considered particularly relevant when a three-month trend is showing, posted its third straight decline last month. Consumer prices meanwhile surged for the umpteenth straight month in February, and this time the main culprit was uncomfortably close to home.

Last month's 1 percent increase in retail costs would have been only three-tenths of 1 percent had it not been for a 6.6 percent rise in energy prices. And that rise was primarily a result of President Reagan's decision to decontrol all oil prices in January, six months ahead of schedule. (Similar increases may be ahead. According to an Energy Department proposal still in draft form, almost all programs to encourage conservation and develop alternate sources of fuel would be dropped, to let market forces "naturally encourage" efficiency.)

Free market is one thing. Free trade, as the Reagan White House is only the latest to find out, is another, especially where the inexpensive fuel-efficient Japanese cars that have been driving domestic models off the market are concerned. After weeks of arguing about what to do and settling for trying to convince the Japanese to limit exports to the United States voluntarily, the Administration last week set about the process of persuasion. Japanese Foreign Minister Masayoshi Ito, visiting Washington, said he hoped a way in which the two national industries could "coexist and coprosper" could be found.

An Old Bias Case Is Reagan's First

In the case of Statesville, N.C., the Reagan Justice Department — whose leaders profess a dislike of numerical quotas in employment discrimination cases — inherited an all but wrapped-up investigation.

So last week a spokesman for Attorney General William French Smith announced the first affirmative action case brought by the Administration. Under a proposed consent decree that accompanied a civil suit filed in United States District Court, the town will be required to hire blacks until its police and fire departments are 18 percent black, accelerate promotions of blacks and pay $20,500 to a former city fireman whose complaint, filed with the Equal Employment Opportunity Commission, resulted in the lawsuit.

The suit charged that Statesville — some 70 miles north of Charlotte — and some of its officials had discriminated against black applicants, a violation of, among other statutes, the Civil Rights Act of 1964 and the Revenue-Sharing Act. As of May 1980, the suit said, none of the town's 57 police officers and 58 firemen was black; none had been hired since Jan. 1, 1977.

Moving Briskly On Deregulation

Few campaign vows drew more cheers than Ronald Reagan's promise to make Big Government smaller. And in few areas has the Administration moved faster — from January's freeze on the 172 regulations written in the Carter Administration's final days to last week's initial report of the Task Force on Regulatory Relief. The panel's chairman, Vice President George Bush, announced that 36 of Mr. Carter's "midnight regs" would be killed or indefinitely postponed. Twenty-seven other regulations, some long in effect, have been targeted for "modification."

There was much on the list to make the deregulation cheerleaders happy. Business has been complaining for years about rules governing surface mining and coal-leasing on Federal lands, governing toxic chemical waste disposal and the wages, through the Davis-Bacon act, Government contractors must pay. All these — and the requirements of the Office of Contract Compliance, one of the principal mechanisms of enforcing affirmative action — are to be reviewed.

Free market theory carried the day in the third branch of government too, when the United States Supreme Court said the Federal Communications Commission was quite right not to take proposed changes in entertainment programming into account in deciding whether to grant or renew a radio station's license. Listeners groups, classical music buffs among others, had argued that only Federal regulation could insure diversity on the airwaves.

Tough New Address For Mayor Byrne

Whatever her record as an administrator, Mayor Jane M. Byrne's flair for the dramatic is frequently top-notch. Last week she announced that she and her husband would temporarily set up housekeeping in Cabrini Green, a bitterly poor — and extraordinarily violent — public housing project on Chicago's Near North Side.

Most of Cabrini Green's 13,545 residents are black; nearly all of its 3,592 households receive some form of public assistance. Street gangs, warring over rights to traffic in narcotics and prostitution, have made its town houses and 81 high rises a battle ground. Ten gang-related murders were reported in a nine-week period earlier this year. Snipers often fire on passing motorists and pedestrians. Many of Cabrini Green's residents pay as much as $50 a week in protection money to the gangs, authorities say.

The Police Department in mid-March assigned a 28-member squad to patrol the project. Some critics contended that in giving Cabrini Green such attention Mrs. Byrne was attempting to make political points with Chicago's black community, whose support she may sorely need when she runs for re-election in 1983. Not so, she insisted. "I was out there at 4:45 p.m. and I saw a 14-year-old sitting in a squad car who had just been raped," she said. "It's going to stop."

Mrs. Byrne at first pledged she would call Cabrini Green home "as long as it takes to clean it up." Later, she said her tenanacy there might be part-time, because she intended to establish apartments in other projects.

Caroline Rand Herron and Michael Wright

There's No Contest on Spending Cuts in the Senate, but the House Is Another Matter

Democrats, Still Defensive, Hope to Generate an Offense

By MARTIN TOLCHIN

WASHINGTON — In the 1930's, in the midst of the Great Depression, public opinion supported a shift of power away from private industry and toward Government. In the 1980's, with Government in disrepute, widely regarded as fat and wasteful, many Americans apparently favor a shift away from Washington.

The budget-cutting legislation now being debated on Capitol Hill has been portrayed by the Administration as one of its first attempts to reduce the Federal Government's influence. The Republican-controlled Senate may complete work on the measure this week.

In the Democratic-run House, which next takes up the legislation, leaders last week mulled over the difficulties of moderating the power shift, of salvaging at least part of an array of endangered social service programs. Unlike the Senate, in a hurry to give a Republican President what he wants, the House seems certain to move at a slower pace.

House leaders agreed to encourage committees to hold hearings on the proposed reductions, to focus public attention on the effects of those cuts, and allow time for opposition to coalesce. "The hearings are going to show what these cuts will really mean," said Representative Thomas S. Foley, Democrat of Washington, the majority whip. "I don't think the Administration has analyzed their impact."

There was general agreement, also, that the Democrats should be less defensive about salvaging a few of the social welfare programs that they created, and begin to take the offensive. "The President's policies have redistributive effects in favor of the rich and against the poor," said an aide to the Democratic leaders. "There's an absolute consensus on correcting that."

The House Democratic leadership had been criticized for passivity in the face of the most massive single spending reduction in the nation's history. "The country expects cooperation from the Democrats in the Congress, and has a right to," Mr. Foley said. But there also is a feeling that if the Reagan program succeeds, all incumbents would prosper from an improved economy. On the other hand, Republicans could point to their success as an argument for Republican control of the House, and fewer Democrats in the Congress.

The leadership meeting was one of dozens that occurred as the Democrats sought to formulate an alternative package to President Reagan's proposed budget cuts. Representative Jim Jones, Democrat of Oklahoma and chairman of the House Budget Committee, last week completed eight meetings with Democrats invited by region, to solicit their opinions and advice. He predicts that the President will get 75 percent of the reductions he wants.

"I think we can put together a package that will improve on what the President recommends," Mr. Jones said. "I have detected a strong willingness from both Democrats and Republicans to bend from their previous positions, in order to have a really effective spending restraint bill." Those discussions are being held against a background of a discerned decline in the President's popularity. But the conviction of most Democrats is that it still would be foolhardy to oppose the President's plan.

Some Slippage Is Expected

"Hara-kari may be cultural, but it is not hereditary," Representative Norman Y. Mineta, Democrat of California, who is of Japanese descent, jokingly told House leaders last week. Like most House Democrats, Mr. Mineta has no inclination to impale his career on opposition to the spending reductions proposed by the President. Even though he doubts that the cuts will provide the promised economic relief, he cannot risk being considered "obstructionist," and blamed for blocking the President's efforts to curb inflation, reduce interest raes, stimulate the economy and create new jobs.

At the same time, Mr. Mineta expects some slippage in the President's popularity and the credibility of the economic package by next year's Congressional elections. His constituents and other voters are beginning to appreciate the impact that those cuts would have on their lives, he maintains. House Speaker Thomas P. O'Neill Jr. says his mail was running 100-to-1 in support of the White House proposals, but is now only 3-to-2 in favor.

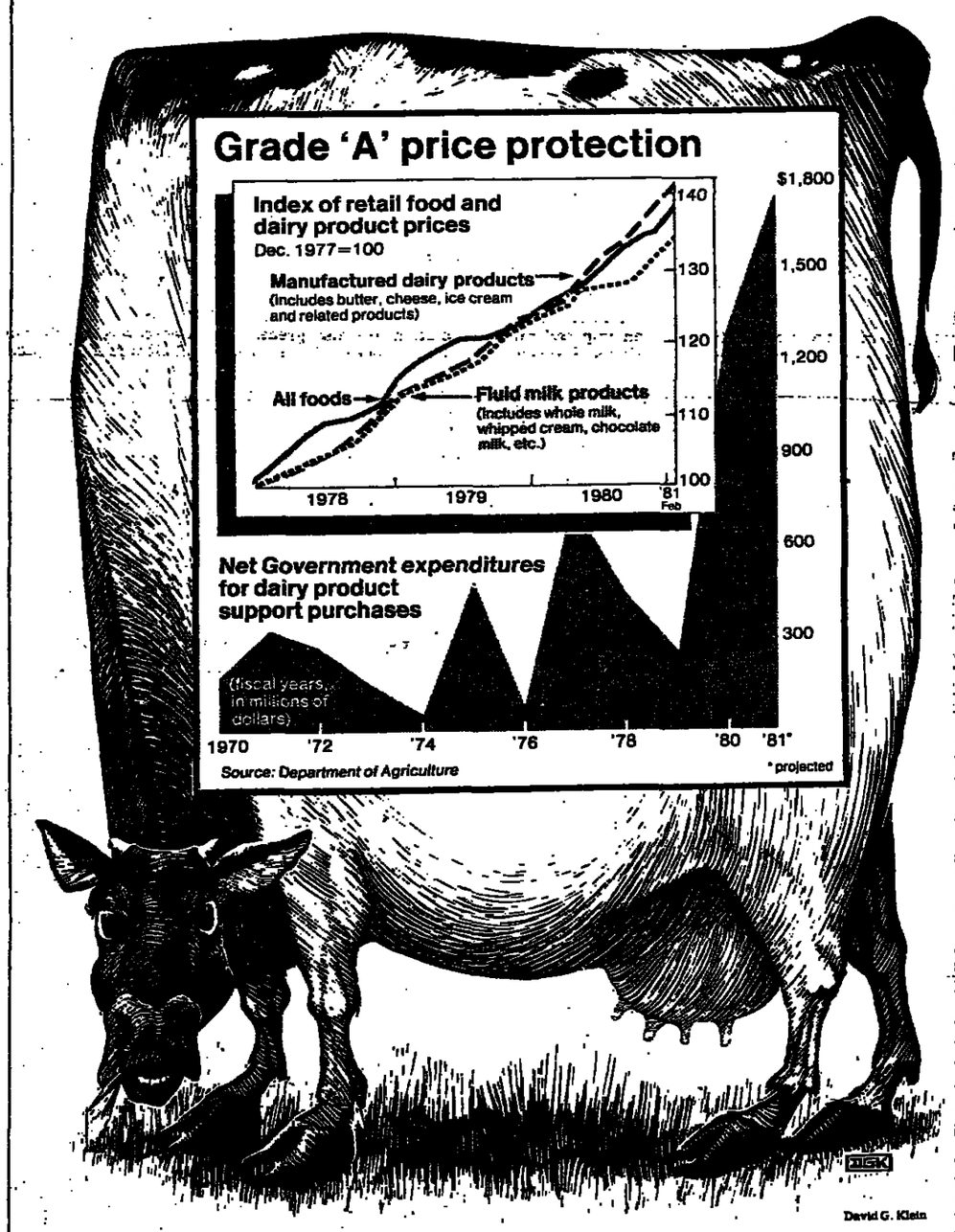
Unlike the Senate Democrats, who are still traumatized by their loss of control and the defeat of some highly placed veterans, the House Democrats have no intention of accepting the Reagan proposals as a package. But unlike the united Republicans, the Democrats are as ideologically diverse as they are feisty. Those on the left are divided between those who want to oppose every aspect of the President's plan, and those who believe that the plan should be approved intact, to let the Administration fall on its own sword. Some members of the party's right wing, on the other hand, believe that the President did not go far enough, and seek even deeper cuts.

"The biggest challenge will be uniting the Democrats," said Representative Leon Panetta, Democrat of California, an influential member of the Budget Committee. Mr. Panetta is one of the "Gang of Four," Democratic members of the House Budget Committee who last year put together a budget package that appealed to the party's diverse elements. Now enter "The Return of the Gang of Four," asked by the Democratic leadership to formulate a Democratic alternative to the President's proposals.

Their objective is to make a plan that restores funds for social welfare programs such as food stamps, child nutrition, secondary education, urban development, health care and energy. To pay for the increases, they favor closing tax loopholes and giving the Pentagon a slightly smaller share of the budget. "The basic feeling is that we've got to get close to the President's numbers if we don't want them to get shot down in flames," Mr. Panetta said.

Speed is on the side of the Republicans. Time will help the Democrats. The faster the package moves through Congress, the less time for close scrutiny and united opposition. A Presidential veto seems a hollow threat because, if Mr. Reagan is dissatisfied with the spending reductions enacted the first time around, he is likely to get even less later.

Last Week's Vote on Dairy Supports Was a Prelude to Budget Battles Ahead



David G. Klein

Congress Downs Reagan's Austerity Tonic, but It's Hard

By STEVEN V. ROBERTS

WASHINGTON — The House Agriculture Committee was debating a bill to block an increase in dairy price supports when Representative George Hansen, a staunchly conservative Republican from Idaho, took the floor. The White House desperately wanted this legislation, Mr. Hansen reminded his colleagues. "It's not easy to take castor oil," he said. "But in the long run you'll be better off for it."

Both Senate and House swallowed hard and passed the bill last week, but it wasn't easy. The legislation, which amounted to a preliminary test for the Reagan economic package, was actually defeated in a House subcommittee at one point and had to be pulled off the Senate floor three times before the Republican leadership was sure it had the votes for passage.

The Congressional odyssey of the price support bill was revealing of the forces, interests and arguments coming into play as the lawmakers begin wrestling with the President's proposals for drastic economic change. On all sides, the dairy issue was seen as a symbolic issue, a chance to make points, feel for soft spots and prepare for other battles ahead.

Only an accident of the calendar made it the vehicle for this struggle. By law, dairy prices are pegged at 80 percent of parity, a figure based on the purchasing power of farmers in 1914. That price is adjusted twice yearly; in April and in October, but the Reagan Administration decided that omitting the April increase would be a good way of setting the tone of austerity it seeks in the budget as a whole, defense expenditures excepted.

In arguing their case, the White House and its Congressional supporters used what has become a favorite tactic — equating criticism of a Presidential initiative with "obstructionism" and disregard for the national interest. Senator Alfonse M. D'Amato, Republican of New York, told the Senate that opponents of the bill were merely trying to "embarrass" the White House and added, "This vote is a vote of confidence in the Reagan Administration's program for economic recovery."

Administration supporters frequently invoked a favorite word in Washington these days: mandate. Whenever a White House policy is challenged, its backers contend that the "mandate" of the November election supports their position. Thus, Representative Paul Findlay, Republican of Illinois, told the House Agriculture Committee, "The mandate Reagan got in November was a hold-the-line mandate to restrain the rise of Government spending."

Working against these arguments was the feeling among many lawmakers that, while they might support the White House in general, they had an obligation to examine each element of the Reagan program in detail before stamping it "Approved." "An awful lot of us on both sides of the aisle support the intent of the President," said Representative Jerry Huckaby, Democrat of Louisiana. "But it behooves us to look at each individual program and fine-tune it and not give a total blank check to anyone in the White House."

Those Old 'Negative Side-Effects'

Lawmakers are particularly skeptical when their constituents are affected directly, and the dairy price bill caused several legislators to repeat another familiar Washington line: Cut the budget — but not in my backyard. So it was not surprising that Representative Steve Gunderson, a Republican freshman, cast his first votes in Congress against a President of his own party. Mr. Gunderson's Wisconsin district has more dairy farmers than any other in the nation.

Opponents of the dairy bill made an argument likely to be heard regularly as the President's other budget proposals receive more scrutiny, namely, that the bill would have negative side-effects. Dairy industry backers said that omitting the price increase would force many farmers out of business. "We're giving bad signals to the dairy industry," said Representative James Jeffords, Republican of Vermont. "People will just get out of the business."

Most legislators, however, were caught in between, trying to balance support for the President against doubts about a specific proposal. As they agonized publicly over how to vote, they expressed some of the anxieties that they can expect to feel repeatedly in the coming weeks and months.

For example, Representative Beryl Anthony Jr., an Arkansas Democrat, told the Agriculture Committee, "It really boils down to support prices versus getting a handle on inflation, and getting a handle on inflation wins." Mr. Anthony then reminded his colleagues that, since there are 30,000 dairy farmers in Arkansas, he would be paying a political price for his position.

In the background throughout the dairy debate was the question of political contributions. Dairy interests have donated about $350,000 to members of the House Agriculture Committee since 1978, according to Common Cause, the public affairs lobby. And committee members conceded that such contributions do have an influence. "I think what they get for their money," said Representative Thomas Harkin, an Iowa Democrat who received $22,000 in contributions, "is some thoughtfulness, at least some hesitation on the part of members, before they cast a knee-jerk vote against agricultural programs."

But Common Cause thinks the contributions buy a lot more than "hesitation." Maureen Shea, a lobbyist for the organization, pointed out that the dairy bill had lost in subcommittee and said, "Anyone who thinks the special interests are not alive and well was not in Washington this week and did not see them at work."

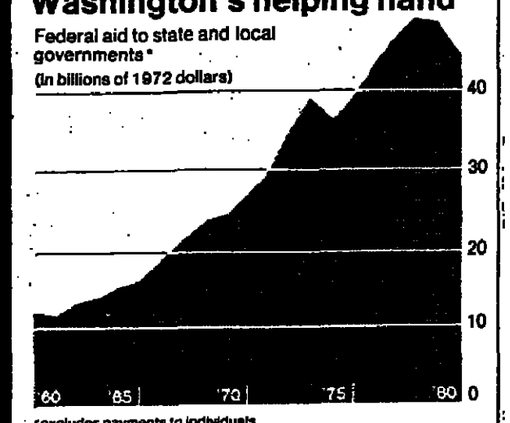
The power of these special interests, agricultural and otherwise, is buttressed in Congress by the buddy system. Members of the Agriculture Committee who represent different crop-growing areas have traditionally backed each other's price support programs and, as Representative Jeffords pointedly reminded his colleagues during the dairy supports debate, "If we don't support each other, in the final analysis we'll all go down the tubes."

That argument could not overcome the President's appeal this time, but dairy industry supporters, like everybody else on Capitol Hill, know there will be other fights. Said Representative Harkin, already looking ahead, "We couldn't let them roll over us. Otherwise we'd be in no position to bargain on the next farm bill."

maccabee
THE INTERNATIONAL BEER.

The Nation Continued

Washington's helping hand



*excludes payments to individuals

Source: Advisory Commission on Intergovernmental Relations

What Shape For the New Federalism?

By JOHN HERBERS

On the face of it, those who have been calling for basic reform in the American way of government should find much to cheer about in Ronald Reagan's "New Federalism." Some of the President's proposals to cut the budget, consolidate and even eliminate some Federal programs and to turn back authority to the state and local governments mirror reforms many elected officials as well as scholars have been urging for years. But under the surface, many of the proposals now before Congress run counter in important respects to most of the reformers' plans for change — and to the policy of President Reagan's Republican predecessors. As a result, there is concern that the nation may wind up swapping old difficulties for new ones.

Over the last few years, for instance, the Advisory Commission on Intergovernmental Relations has been painstakingly examining the growing Federal role. The panel, established by Congress to find ways to make the Government more efficient and composed of elected officials from all levels, urges consolidations of the kind Mr. Reagan has proposed. Beyond that, the differences between the President's and the committee's plans are pronounced.

In the committee's view, there should be a sorting out of Federal and state roles so that the public will know which level of government to hold responsible for what. Washington, the panel said, should assume full responsibility for welfare, housing assistance, medical benefits and basic nutrition; more authority should be returned to state and local governments in education, transportation, law enforcement and other areas that until the past two decades had been almost exclusively their province.

Other study groups have shared this view of a first step toward alleviating the widespread public discontent with the national Government. Even in his campaign, however, Mr. Reagan took a different tack. He would turn welfare back to the states to administer under their own standards. Among his supporters on the farther right, such a proposal had strong support. The center and the left considered it the turn on the road back to the days of the county poorhouse, when each locality decided how to deal with poverty and there was enormous disparity in benefits between localities, states and regions. And while governors and city and county officials would like to recapture authority from Washington, the last responsibility they want is that of welfare.

Richard P. Nathan, an official in the Nixon Administration who helped form welfare policy and is now professor of public and international affairs at Princeton University, is among those who have pointed out Mr. Reagan's divergence from his own party's record of federalism. Under both Presidents Nixon and Ford, Mr. Nathan said, the policy was to designate "the group of programs which transfer income from the Government to individuals as those which should be structured under equitable and uniform policies by the Federal Government. The reasons for centralizing policy-making for income transfer programs was not only to make them equitable but to help ensure efficiency."

Similar disagreements exist about the manner in which Federal programs, which have grown like weeds and frequently overlap or conflict, should be consolidated. The President would lump more than 80 Federal programs for education, health and social services into three block grants, giving the states and localities wide authority in deciding how the money should be spent. But the money in them would be cut by about $2.6 billion.

Many mayors and governors have gone along with Mr. Reagan's proposals, because of the wide popular support for his efforts to improve the economy. But the potential for resentment is simmering. Two years ago, the National Governors Association offered to take a 10 percent cut in Federal aid if Federal payments were consolidated, because, the governors asserted, the states would still be able to deliver better services. They were not prepared for so large a cut — almost 25 percent of the Carter Administration budget, which itself had been reduced considerably since 1978.

Dumping the Hard Choices

The resentment flows from the belief that the Reagan strategy is to dump on state and local officials the distasteful task of deciding which interest groups to hurt. Peter Korn, the city manager of Rochester, expressed this view recently when he said, "I see the most important part of the Reagan budget as a shifting of the burden. I can see a real bitter struggle on the City Council when various groups clash over reduced money. The problem for local politicians is how to avoid being classified as the S.O.B's in all this."

Another controversial aspect of the Reagan plan is the freeze on hiring Federal employees, billed as an effort to reduce a bloated bureaucracy. The Urban Institute, based in Washington, recently published a study which suggested that the Federal Government got out of hand in the 1970's as much because it delegated so much authority to non-Federal employees as because of its size.

As size has become political anathema, Congress has found ways to have other people — the states, cities, counties, special districts, bankers, hospitals, corporations, consultants, civic organizations — do the Federal Government's work. While the expenditures of the Federal Government were increasing rapidly during the past two decades, the number of Federal employees has in fact remained steady. Meanwhile, as a result of Federal programs and mandates, the ranks of other governments have increased rapidly. The reason for waste and corruption in programs such as job training and food stamps is disputed. But a solid argument is made by some that a principal cause is that there are not enough Federal officials to maintain control.

Thus, what is emerging is a deep ideological dispute between Mr. Reagan's approach and reformers who would like to see public service continued at a reasonably high level and are proposing procedural and statutory changes to make it work. The White House philosophy — reduce government at all levels — may also contain the seeds of a bitter conflict with the states and localities.

The Big Push Is On to Make Government Watch Its Money

By STEVE LOHR

In his drive to the White House, Ronald Reagan frequently rallied against the sorry state of management in the Federal Government, using an evocative code phrase that seemed to embody all the evils that tighter management could eradicate — "fraud, waste and abuse."

Until last week, however, his Administration has focused mostly on its ambitious budget and tax program. "We're trying to sell budget cuts," an Administration official explained. "We don't want some Congressman to hear us saying that several billion dollars can be saved through better management and get the mistaken notion that his pet $100 million program doesn't have to be cut."

With the establishment Thursday of the President's Council on Integrity and Efficiency, the emphasis is shifting to include management as well as budget. The task of the group is try to make good on the President's campaign promise to find cost-saving steps that equal 2 percent of Federal spending in fiscal year 1981 "through a comprehensive assault on waste and inefficiency." That would mean savings of more than $13 billion.

The Administration's planned budget cuts themselves have forced open the subject of financial management. "A few years ago, you couldn't fill a telephone booth in Washington with the people interested in things like cash management or financial controls," says John J. Lordan, a veteran civil servant and chief of the financial management branch of the Office of Management and Budget. "But these are hot issues now." For whatever the eventual budget-slicing, the success of the drive to make spending more efficient will partly determine the extent to which Government services are maintained.

The potential payoff is apparently quite sizable. Elmer B. Staats, the just-retired Comptroller General, recently told a House committee that more than $10 billion could be collected through more vigorous pursuit of misused funds or outstanding debts. And a General Accounting Office study, released in August, found that internal control weaknesses in Government agencies are to blame for "billions of dollars that are lost annually through fraud, waste and abuse."

These weaknesses, the G.A.O. suggests, can be corrected without the application of complex management systems or fancy computer technology. Rather, the use of even rudimentary accounting and auditing procedures would greatly help. For instance, the agency found that at some Health Services Administration offices, mail containing cash receipts was collected, logged in and processed by one person. Having more than one person count the money contained in cash-holding envelopes is probably the simplest possible kind of control; it is the example almost always used to illustrate to beginning auditing students what an internal control is.

In a wide range of areas, the G.A.O. auditors found similar shortcomings. Cash advances to Federal workers and members of the military service were not reviewed regularly, thereby increasing the Government's cash needs. When the G.A.O. audit team inspected the Pacific Fleet offices, for instance, it found more than 18,000 travel advances amounting to more than $1 million that were more than 60 days old.

The Office of Management and Budget has for the past couple of years been trying to make sure that the Government manages its cash collections and payments in order to earn as much interest as possible. This includes such measures as decentralizing mortgage collections in the Farmer's Home Loan Program to get the funds quickly into interest-bearing accounts and timing payments to contractors so that the Government holds onto its money as long as possible. The estimated saving from applying these cash-management techniques in the current year is $1 billion.

Another new initiative is a bonus and merit pay increase program for more than 130,000 Civil Service managers and supervisors. "Measuring the efficiency of the people spending the money, and then providing incentives for outstanding performance should yield huge savings," says Robert N. Anthony, a Harvard business school professor and former comptroller of the Defense Department.

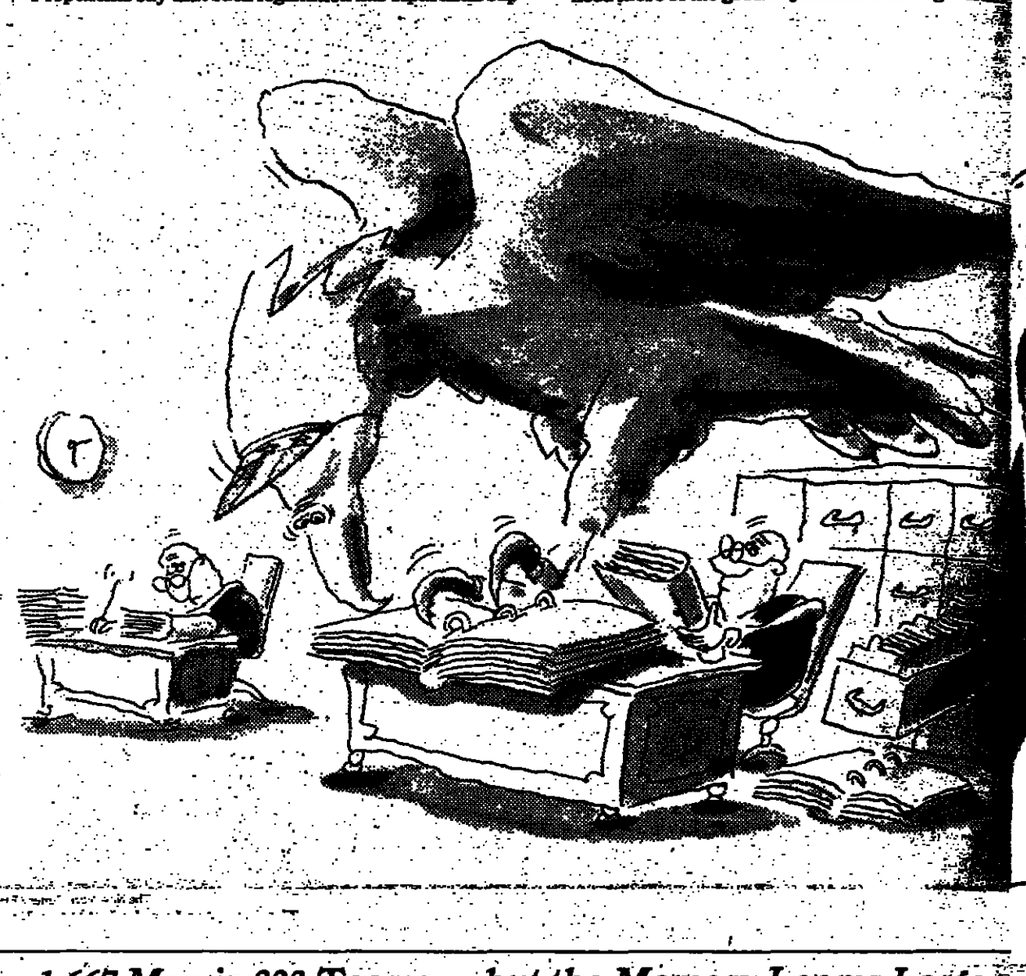
A legislative effort is also under way. Last month Representative Jack Brooks, Democrat of Texas, introduced the Federal Manager's Accountability Act, and a similar bill should be introduced soon in the Senate. Both bills, which were initially introduced in the 97th Congress's closing weeks, require that each agency chief take responsibility for the adequacy of the agency's management control system and report annually on it.

Proponents say that such legislation has bipartisan support. "Management accountability has appeal to [illegible] of the political spectrum," says Representative [illegible] chairman of the House Committee on Government [illegible]tions. "Those who want to make severe cuts in [illegible] budget view improved management as one me[illegible]ing those cuts, while the beneficiaries of the pro[illegible] might be cut view better management as a means [illegible]ing their losses."

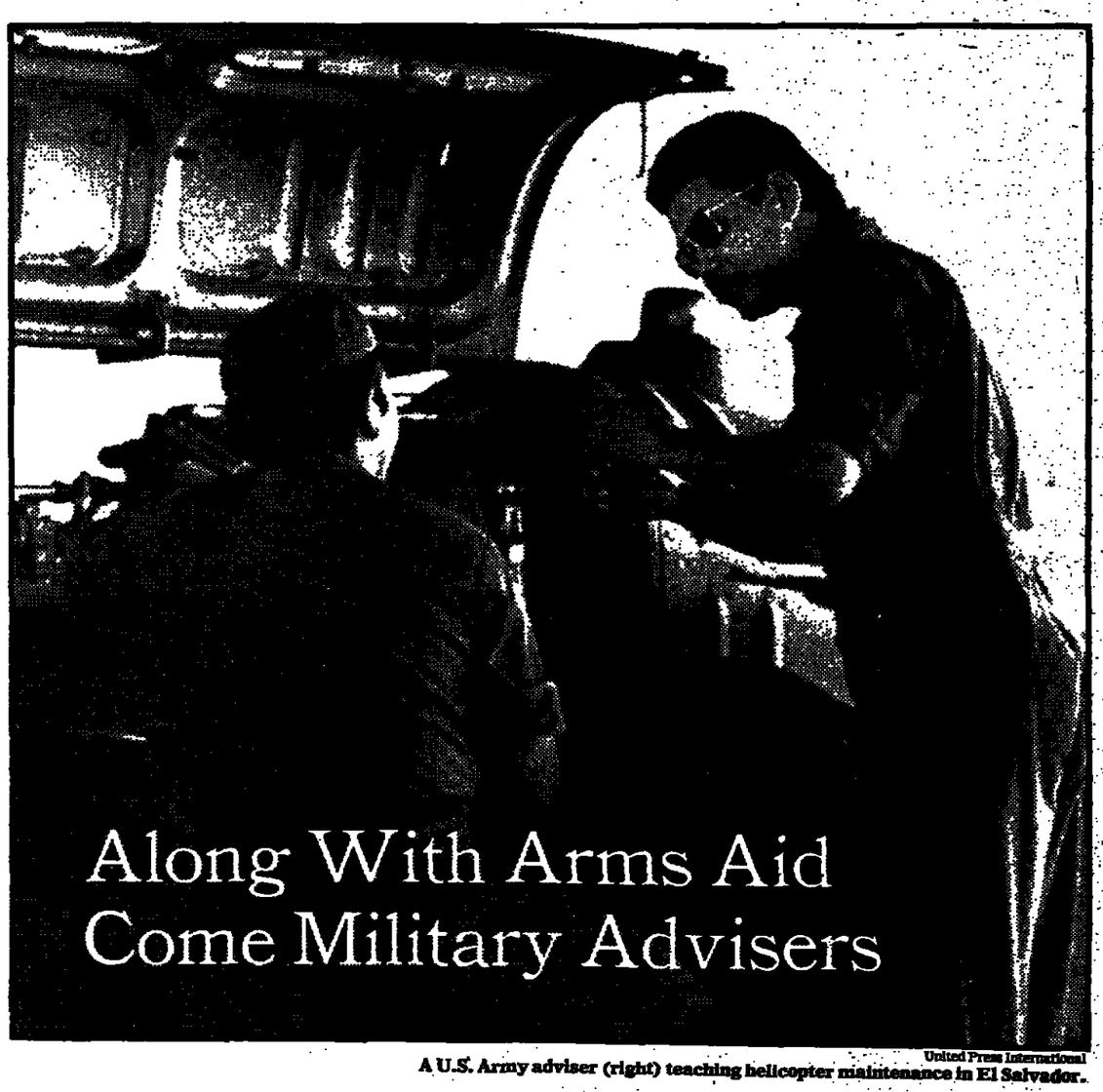
By all accounts, administrative controls and [illegible]agement in the Government are decades behind th[illegible] in the private sector. Why?

One reason is the size of the Government enter[illegible] the inefficiencies that seem to be endemic in any [illegible] bureaucracy. To illustrate, President Reagan's [illegible] Federal spending ceiling for fiscal 1982 is $695.5 bil[illegible] times the revenue of the Exxon Corporation, the [illegible]gest corporation. Also, the raison d'être of a priv[illegible]ration is to be efficient — that is, to make a profi[illegible] the public sector," explains Gilbert Simonetti Jr., [illegible]ment specialist and partner in Price Waterhouse, [illegible]tant accounting firm, "the effectiveness of the [illegible] has always taken precedence over the efficient [illegible] service."

Indeed, during the 1960's and 1970's, many big programs were mounted. And big programs, [illegible] capstone of someone's political career, weren't [illegible] make sure proper controls were in place. Tod[illegible]ment is undergoing a period of forced conso[illegible] though the Reagan Administration certainly di[illegible] the idea, it seems to be speeding up this process [illegible] to be a balance between the emphasis on progr[illegible] and administration," says Mr. Lordan. "Now [illegible] need more of the green-eyeshade stuff in governm[illegible]



The Numbers Seem Small — 1,667 Men in 323 Teams — but the Memory Looms Large



Along With Arms Aid Come Military Advisers

United Press International

A U.S. Army adviser (right) teaching helicopter maintenance in El Salvador.

By DAVID BINDER

WASHINGTON — Memories in the capital started doing backflips and other tricks earlier this month when President Reagan spoke frankly and freely in an interview about the roles of United States military training teams in El Salvador and "more than 30" other countries.

Although Mr. Reagan was very precise in stating that the United States soldiers in Central America and elsewhere were posted abroad strictly to train and not to participate in combat, the television interviewer's interrogatory usage of the term "military advisers" instantly recalled the tragedy of armed American involvement in Indochina. The recollection was strengthened by the disclosure March 13 that 15 of the 62 American military men who will have served in El Salvador by the end of this fiscal year (54 are there now) are from the Army's Special Forces — the Green Berets.

Actually, the President had briefed himself as carefully as possible on the subject of American military missions in foreign fields, sending Pentagon officials scurrying through piles of computer printouts to determine the number, size and location of the training teams. At the time the Special Forces/El Salvador disclosure was made, the Defense Department was able to identify military training teams totaling 39 men on missions in five other countries: Honduras, Liberia, Morocco, Thailand and Yemen.

The "more than 30" military groups referred to by Mr. Reagan appear to be the 32 "mobile training teams" in a list released last week by the Pentagon as having gone or being about to go to 32 different countries, along with "technical assistance field teams" and "technical assistance teams" scheduled to work in those and 21 other countries — for a total of 53 — during the 1981 fiscal year. The way the Pentagon adds, it becomes a matter of 323 teams with a total of 1,667 men from all four services.

For the most part these teams are asso[illegible] transfers of American equipment purchased or[illegible] or received as grant assistance. Egypt, for inst[illegible] has acquired large quantities of American we[illegible] cent years, will have played host to 35 differen[illegible] teams with a total of 323 instructors this year. Sa[illegible] with its new F-15's and other equipment, is sched[illegible] Americans on training duty. The number of A[illegible] structors slated for Europe, 285, is less than o[illegible] number in the Middle East.

In Asia, where the American eagle swept [illegible] dozen years ago on the strength of a half-millio[illegible] military advisers in Vietnam, the total for this [illegible] mere 153, none of them designated for combat. S[illegible] can countries account for 135 Americans on varia[illegible] ance missions; nine Latin American and Caribbe[illegible] (El Salvador included) are to have a total of 120.

This is up 10 or so from the 44 countries in [illegible] Pentagon maintained military assistance advis[illegible] in the summer of 1976 but down from the 34 design[illegible] that year when an aide of President Ford describ[illegible] something akin to the dodo bird.

Nor do they come anywhere near quality or q[illegible] Soviet military "advisers" currently operating [illegible] (85,000 in Afghanistan), the Middle East (2,00[illegible] Southern Yemen and Syria), Africa (several th[illegible] Ethiopia, Angola, Libya, Mozambique and Con[illegible] ville) and Cuba (2,000 or more). The total around [illegible] has increased from 11,000 to 20,000 in the las[illegible] fou[illegible] the case of Afghanistan, at least, there are also [illegible] diers in combat under their own officers. They [illegible] called "mercenaries" in another century (just a[illegible] sians call the American noncombatant advise[illegible] "mercenaries" now.)

Foreigners a Permanent Feature

For that matter, foreign military advisers ha[illegible] been a feature of offensive and defensive warfare [illegible] ured largely in the Revolutionary War of the Unite[illegible] The infantry general from France, Marie Joseph [illegible] Roch Gilbert du Motier Lafayette; the Polish of[illegible] deusz Andrzej Bonawentura Kosciuszko and [illegible] Pulaski, and the Prussian captain, Frederick W[illegible] gustus Steuben: non-Americans of the time w[illegible] called them mercenaries. Without them, in retr[illegible] success at arms of the American Revolution wo[illegible] been much more difficult, if not impossible.

For the Reagan Administration, the Presiden[illegible] aides have made abundantly clear, the issue of the [illegible] is not at all a matter of "mercenaries" — theirs o[illegible] but of a determination to protect the United States [illegible] interest and to assist friends. In the case of Centr[illegible] ica, as Mr. Reagan put it, the issue is "to make sur[illegible] do not just sit passively by and let this hemisphe[illegible] vaded by outside forces."

On a global scale that message has been made [illegible] the new Administration's request for $6.87 billion in [illegible] assistance, the budget euphemism for all the military [illegible] grants, training and other programs envisaged for t[illegible] fiscal year, which begins Oct. 1. Neither the Pentag[illegible] State Department nor the White House has figured o[illegible] it wants to spend all that money — that will be made [illegible] explicit as the budget wends its way through Congress [illegible] coming three months.

But the intent of the request, with its $900 milli[illegible] crease over the Carter security assistance budget, is [illegible] plain. The funds could encompass more military in[illegible] tors, or even combat advisers, as in the case of El Sal[illegible] Green Berets, so long held in official Army disdain.

If that is the case, and at this stage it is not possi[illegible] say, the lessons of Indochina are still fresh enough to [illegible] learned: The more you put into counterinsurgency e[illegible] the less you get out.

The lesson was copiously documented earlier this [illegible] albeit anonymously, by a former American combat a[illegible] in Vietnam who published a study of the debacle o[illegible] United States Army in that war under the pseudonym [illegible] cinnatus. He called the work "Self-Destruction."

هكذا من الأصل

The Economy

No Cuts Here: The Life on the Tab

By WILLIAM SERRIN

The place: a restaurant, 21 Club, Lutèce or the Palm. The sound: the tinkling of silver and china, the hum of conversation. The food: excellent, royal squab grillé, croustade of chicken livers or broiled fresh mushrooms on toast. A bottle of wine perhaps. Then the coffee, and the cup refilled without request.

The check is laid upon the table in a most discreet fashion, and the payment, usually by credit card, sometimes by cash, follows. Finally, the most important part of all — the light blue customer's copy from the American Express receipt is placed in pocket, purse or billfold. For the ultimate purchaser of the meal is not the businessman or businesswoman who signed for the meal, but the host's employer and ultimately, in large part, the American taxpayer.

The meal is a product of that important American institution, the expense account.

Each year, individuals and corporations deduct billions of dollars from their revenues for meals, drinks, hotel rooms, entertainment and travel, thus reducing their taxable income. The Internal Revenue Service and the Treasury Department say it's impossible to calculate the amount of money involved, but Sidney Rutberg, author of "The Joy of Expense Account Living," put the fig-ure at $54 billion annually. A sizable but much smaller estimate by a Library of Congress study put deductible spending for meals alone at $3.2 billion in 1976.

It is one pocket of the economy that is unlikely to be touched by the Reagan Administration's budget writers. "That's not the way the wind is blowing," said a Treasury Department official.

The expense account is a businessman's perquisite that the businessman is rarely forced to defend. That's because one man's perk is another man's profit. Major businesses — restaurants, hotels, banking and credit card companies, theaters, professional sports, convention operators, airlines, car rental agencies and limousine services — often depend for a lion's share of their business on the expense account.

Yet critics of the expense account say that it is responsible for higher prices in restaurants, hotels and airline travel, and that it often means that business decisions are not made on the basis of the quality of a product, but on the basis of personal or social obligations established by the expense account. They also say that the expense account system can lead to corruption.

Philip M. Stern, author of "The Great American Treasury Raid" and "The Rape of the Taxpayer," both studies of American tax policies, said, "The expense account creates a two-class society, those who can utilize expense accounts, generally the middle and upper classes, and those who cannot, the working class and the poor."

The Treasury Department, which in 1978 told of a taxpayer who had legitimatly deducted every meal for two years with the exception of one day, said that, with inflation, making extensive entertainment and travel privileges available to executives instead of salary was an attractive prospect for both employers and employees. Moreover, it appears that people with access to expense accounts will increasingly resort to them, sometimes in illegal ways, to increase income, Treasury officers believe.

According to the New York State Restaurant Association, about 25 percent of the meals bought in all of New York City are expense account meals, and those in the restaurant industy say the figure rises to perhaps 50 percent in such business districts of Manhattan, Boston, Chicago, Houston, San Francisco and Los Angeles.

New York food authorities believe, however, that in the restaurants widely regarded as the city's finest — 21 Club, the Four Seasons, the Palm, Lutèce, La Grenouille and Christ Cella — perhaps 70 to 90 percent of lunches and dinners are placed on expense accounts.

"Midtown is credit cards, and a large percentage of credit cards are business lunches," said Thomas Haas, publisher of Nation's Restaurant News.

These restaurants are places where patrons can easily pay $50 to $100 for two for lunch and perhaps $135 to $160 for dinner. Some call the expense account lunch — or dinner, or, increasingly, breakfast — the Government's largest food program.

Last year, 17.1 million visitors came to New York City, according to the New York Convention and Visitors Bureau, with a vast number on business trips, although the exact number is not known. The American Hotel and Motel Association says about 65 percent of the nation's hotel and motel guests — an estimated 1.4 million hotel and motel rooms are occupied every night with yearly lodging costs estimated at $25.9 billion — are businessmen, government employees or convention goers, people who could legitimately claim deductions on their room rates. In New York, such hotels as the Waldorf-Astoria, the Pierre, the Grand Hyatt and the Hilton are favorite dwellings for visiting businessmen.

The American Express Company, the nation's leading travel and entertainment card company, with 11.9 million subscribers, says a majority of the use of its cards is for business expenses. The Air Transport Association says that one-half of the 300 million passengers that its member airlines carried last year — they paid $30 billion in fares — were on business trips.

Other expense account conveniences involve the use of an employer's credit card to get discounts on rental cars or hotel rates. In professional baseball and football, large blocks of tickets are often bought by companies and other institutions. The tickets are made available to clients or employees, and the costs deducted from the company's revenues.

Trips that combine business and entertainment — to the Greenbriar, the conference and resort center in West Virginia, the Masters golf tournament, the Superbowl, to business conferences in Mexico, the Caribbean or Europe — are often considered legitimate business deductions, meaning that the costs of attending the business meetings as well as food and drink and often lavish entertainment are borne at least in part by the nation's taxpayers.

People in businesses that benefit from its use vigorously defend the expense account. "The business meal often offers the only means that some elements of the business community have to approach a customer," said Robert B. Neville, chief counsel of the National Restaurant Association. A lunch or drink, or a pleasant resort, contribute to an atmosphere of congenialty and trust among businessmen, defenders says. And Mr. Neville suggests that they also often increase productivity.

"I find business lunches extremely beneficial," says James Kennedy, a tax partner with Peat, Marwick, Mitchell & Co., one of the nation's major accounting firms. He says if he has a meal by himself, his company gains nothing, but that if he takes someone to lunch and discusses business, his company benefits.

"It's not the luxury of the food or the luxury of the drinks," according to Mr. Kennedy, who says he also takes clients to dinner and to such events as New York Knickerbocker games. "It's the luxury of the surroundings. To be uninterrupted for an hour — that can be luxurious, too." He adds he does not entertain clients because the expenses are deductable. If his company does not gain, he does not entertain.

"There's hardly a reason to have a meal in a restaurant that does not involve business," said Eric Green, of the restaurant consulting firm of Harris, Kerr, Forster & Company.

Yet Ralph Nader, the frequent business critic, says, "Inflationary forces are held in check when people who pay the bills, pay all the bills." He suggests that when the prices of the finest steak and wine are subsizied (business resents the word) by expense account purchases, price increases filter down to the lowliest hamburger and soda. Mr. Nader calls the expense account a kind of transfer payment, a term economists use to describe programs such as Aid to Families with Dependent Children, food stamps, or unemployment compensation.

Tax deductions for business travel and entertainment last came under attack when President Carter complained during the 1976 Presidential campaign that it was unfair for a businessman to deduct a restaurant meal from his taxes, when a hod-carrier cannot deduct a bologna sandwich. As President, he proposed that the price of a business meal and drinks — the so-called "three-martini lunch" — be cut to 50 percent. He also would have eliminated deductions for other business entertainment, club dues, tickets to theater and symphony performances and sporting events, yachts and hunting lodges. In addition, he would have disallowed first-class air travel deductions by the amount they exceeded coach travel.

But the Carter proposals were easily defeated. Al Ullman, former chairman of the House Ways and Means Committee, said, "We're not going to pass a bill that puts half of America out of business."

It is the jobs argument — that entertainment and travel deductions would mean reductions in employment — that is most often advanced by business and labor to defend the deductions.

Fred Sampson, executive director of the New York State Restaurant Association, says that if a proposal like that advanced by the Carter Administration were passed, it would mean a 25 percent reduction in jobs in the New York restaurant industry, which employs 150,000 workers. Those affected, he said, would be women, blacks, Hispanic workers and the disabled, all employed in the restaurant industry.

He adds, "Lots of people who work in our industry — and thank God we have them, don't misunderstand me — if they were not working for us and supporting government services with their tax dollars, they would be on the dole."

Robert Juliano, chief lobbyist with the 450,000-member Hotel and Restaurant Employees and Bartenders International Union, says he is not troubled making the jobs argument, although it opens him to charges that he is a collaborationist. "For us, it's one issue, and one issue alone," he said. "Jobs. Jobs. And jobs."

Mr. Nader, however, strongly opposes the expense account because, he said, it is an example of "nonmeritorious competition." He says: "You get your sale from your customer not by providing better quality, durability, a warranty, or safety, but by wining and dining."

He adds that the expense account can lead to corruption. "When people wine and dine politicians, they get them a little tipsy. They take them to the Yucatan or them take them on a hunting trip. They get them drunk and they have a nice, happy time, and then they've got them. Six months later when this sobered-up senator meets with some lobbyist, in the back of his mind is, 'They know something about me I don't want anybody else to know,'" Mr. Nader says.

Virtually the entire defense of deductions in Congressional hearings was given by officials of the restaurant or hotel industries, or from labor institutions that benefit from the expense account system, not by businessmen or others with the availability of expense accounts, notes Thomas F. Field, executive director of Taxation With Representation, a tax group. He rejects the argument that the expense account provides employment, and says the real reason food, lodging and travel industries oppose expense account curtailment is that it would reduce profits.

Daniel Halprin, a Georgetown University law professor, who as a Treasury Department lawyer was charged with helping institute the Carter Administration proposals, says of the meal, drinks, and other entertainment expenses: "If they are the thing that makes business go, if they are essential to doing business, there is no reason to expect that they wouldn't continue" even if deductions were disallowed. But he adds, "If they really aren't efficient, if people are being driven to do this only because of the tax benefits involved, certainly they are not something you would want to continue."

He says the Carter Administration's proposals were defeated for three reasons. First, they became, under the phrase "the three-martini lunch," humorous, even though vast amounts of money were involved. Second, many Government officials and politicans in Washington enjoy the amenities of the expense acount, making it difficult to alter the system. Finally, he says, the combined opposition of industry and labor was difficult to counter.

And Sheldon Tallen, an owner of the 21 Club in Manhattan, suggests there was no reason for the law to change in the current political climate. "Business and restaurants and people who work in restaurants cannot do without each other," he says.

The New York Times / Fred Conrad
The Business Lunch: Lutèce in New York.

THE WEEK IN BUSINESS

Consumer price rises returned to the double-digit range last month, the Government said. New energy costs, attributed to the Administration's decontrol of domestic oil prices, pushed the index up 1 percent — an annual rate of 12 percent.

Key indicators designed to forecast the direction of the economy fell four-tenths of 1 percent in February, following declines in December and January.

The prime rate at many major banks was cut to 17 percent from 17½ percent. On Friday, however, Security Pacific, the nation's 10th largest bank, returned to a 17½ percent rate.

Auto sales rose 35.3 percent in the 10-day mid-March sales period, the Big Three makers reported. The spurt was attributed to a good response to rebate programs.

The nation's trade deficit on a merchandise basis narrowed in February. The deficit was a seasoally adjusted $3.15 billion, well below January's $5.44 billion.

Energy-conservation programs would be severely curbed in legislation sought by the Department of Energy. The department said market forces freed by decontrol of oil prices — higher prices — would naturally encourage conservation.

A bid for 20th Century-Fox was dropped by the Denver oilman, Marvin Davis. Mr. Davis, who had offered $700 million for the company, set forth no explanation.

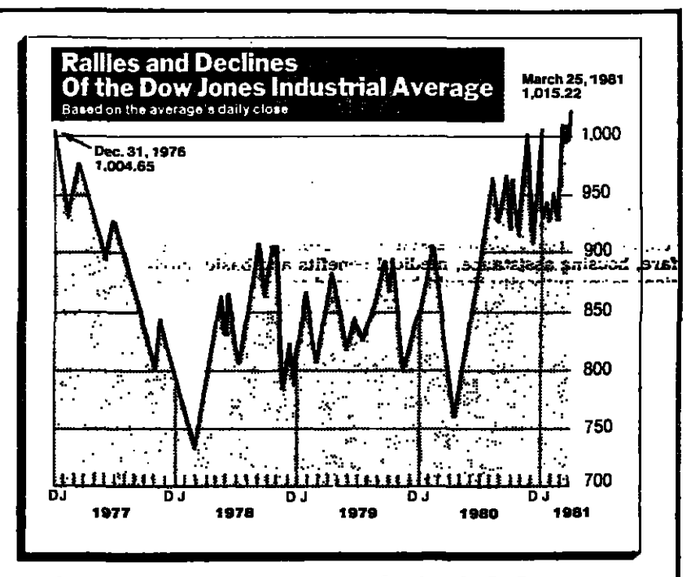
International Harvester said that some of its creditor banks had refused to roll over their maturing notes, and loans to the company could be called at any time. The company also said that it must retire $214 million in long-term debt within the next year.

Flexi-Van received a $200 million bid from a private British investment group. The lessor of cargo containers and other equipment did not name the bidder.

Engelhard Minerals said it was considering a spin off of most of its industrial operations, which account for some 10 percent of sales.

Noranda Mines offered $566 million (Canadian) to increase its stake in MacMillan Bloedel, the big Canadian forest-products company, to 49 percent.

Brascan will buy shares of newly issued Scott Paper common for $28 each, or $102.2 million. The move will increase the Canadian company's interest in Scott to 20.5 percent from 13 percent.



The Dow and 1,000

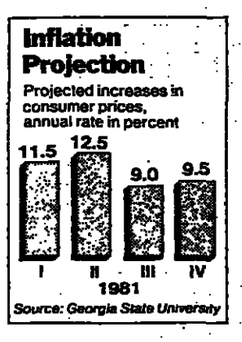
There was brave talk last week that perhaps the stock market had finally gotten over its psychological block and would stay above the Dow 1,000 level. On Wednesday the market surged 19.09 points to 1,015.22 points, its highest level in more than eight years. But on Thursday it retreated 9.46 points — *still finishing above the magic* mark, however, at 1,005.76 points.

Friday saw more selling pressure, and the market slumped 10.98 points to end at 994.78 — a gain for the week of a mere 1.98 points. Tensions in Poland and fears or higher interest rates were cited.

Prospects

A Price Slowdown is Coming

Although the jump in consumer prices during February was considerable — inflation rose at a simple annual rate of 12 percent last month — price developments over the winter have surprised many economists. As a result, some are revising inflation forecasts in a novel direction — downward. Luck and a continuation of tight monetary policies are primarily responsible for the new optimism. A mild winter has kept food prices under control. The war between Iran and Iraq did not deal a serious blow to petroleum supplies, as initially feared. And high interest rates have dampened demand for credit throughout the economy. In spite of the improved outlook, upheaval in the Middle East or a spell of dry weather at the wrong time could easily upset current projections. As of now, Donald Ratajczak, an economist at Georgia State University, thinks an end to auto rebates and an increase in postage rates will offset the anti-inflationary effect of slower growth in the second quarter, leaving prices one percentage point higher than the first quarter average rate of 11.5 percent. After that, Mr. Ratajczak expects inflation to slow appreciably.



Canadian Gas Prices Flare Up

There is little relief from rising energy prices, it seems. Consumers in the Northwest, Midwest and California are apt to see their natural gas bills go up this week, as import prices of Canadian natural gas are scheduled to rise from the current $4.47 per thousand cubic feet to $4.94, well above the third quarter average price of $3.18 charged by domestic producers in the U.S.

Although Canada sold 800 billion cubic feet of natural gas to the U.S. last year, purchases from north of the border amount *to only about 5 percent of total market demand*, limiting the inflationary impact of the increase.

Ottawa had originally intended to jack up prices again in June. However, implementing an additional increase that quickly might price Canadian gas out of the U.S. market at a time when U.S. gas is still under controls.

European Steel Polices Itself

In the midst of the industry's worst crisis since the end of World War II, leaders of Europe's state-controlled steel companies meet in Brussels this week to erect a set of voluntary production quotas. Any new arrangement would replace the current system of mandatory limits, which expires in June.

Currently, E.E.C. representatives monitor output closely, compelling producers to adhere to year-over-year production cuts of 18 percent each quarter.

While analysts think the producers may set limits roughly in line with the current quotas, a voluntary arrangement could be difficult to enforce, as individual companies respond to local economic conditions, not Community-wide standards.

With demand for steel weak in Europe, analysts are worried that more efficient producers may exceed production limits and dump the excess abroad. The trigger price mechanism is apt to prevent much of that steel from being sold in the United States, but could threaten sales by American producers in developing countries.

The Cap on Silver

Talk of company takeovers, the Hunt brothers and liquidating government stockpiles have rekindled interest in the silver market.

After hitting a peak of $25.50 an ounce last September and bottoming out at $11.60 in early March, the latest rash of developments has driven prices up to around $15. However, many analysts doubt the recent activity presages a return to the chaotic days of 1980.

Rising prices have forced major industrial purchasers like electrical industries and photographic companies to develop substitutes and promote more economic use, dampening demand somewhat. However, speculative interest more than offset the downside pressure.

Wanting to cash in on higher prices, speculators are bringing large amounts of the billions of ounces of above-ground supplies to market. The increase in supply and a sustained dose of high interest rates has tarnished silver's speculative glitter and put a lid on prices. As a result, some experts are bearish about the future, and think trading is not likely to vary more than $4 to $5 on either side of current prices.

Kenneth N. Gilpin

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED MARCH 27, 1981
(Consolidated)

Company	Sales	Last	Net Chng
Sony Cp	3,951,200	18⅜	+ ½
IBM	3,424,900	61¾	− 1⅜
Sears	3,201,400	18⅜	+ 1⅜
Texaco	3,043,300	36½	+ ⅝
Phil Pet	2,895,200	47½	− ⅜
Atl Rich	2,681,700	52⅞	+ 1⅛
K mart	2,357,500	19¼	+ ¾
Citicrp	2,308,800	23⅛	− 1
St Oil Cl	2,175,900	41	+ 1
Mobil	2,140,400	66¼	+ 1¾
Rals Pur	2,096,100	13	...
G Mot	2,048,200	52¾	− 1¼
St O Ind	1,967,900	72	+ 3⅝
LTV	1,890,500	23½	− ⅜
Exxon	1,839,000	69½	+ ⅝

MARKET DIARY	Last Week	Prev. Week
Advances	1,040	1,454
Declines	896	534
Total Issues	2,146	2,159
New Highs	354	345
New Lows	12	36

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	287,925,040	2,862,046,181
Same Per. 1980	230,877,241	2,955,678,131

WEEK'S MARKET AVERAGES

New York Stock Exchange	High	Low	Last	Net Change
Indust	92.68	90.19	90.79	+0.90
Transp	81.16	77.42	79.78	+2.70
Utils	38.39	37.79	37.97	−0.35
Finance	75.94	73.87	73.92	−1.49
Composite	79.08	77.28	77.59	+0.50

Standard & Poor's	High	Low	Last	Net Chng
400 Indust	157.0	151.0	152.7	+0.97
20 Transp	26.5	24.8	25.8	+1.00
40 Utils	51.2	50.0	50.5	−0.46
40 Financial	14.9	14.2	14.3	−0.51
500 Stocks	138.3	133.4	134.6	+0.57

Dow Jones	High	Low	Last	Net Chng
30 Indust	1021.7	988.5	994.7	+1.98
20 Transp	440.5	417.1	430.2	+11.70
15 Utils	109.4	106.9	107.5	−1.60
65 Combo	395.4	380.6	386.0	+3.13

The American Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED MARCH 27, 1980
(Consolidated)

Company	Sales	Last	Net Chng
InstrSy	1,830,000	1⅛	+ ⅛
ChampH	958,700	2¾	+ ¼
Warn Com wt	799,700	16⅝	+ 1⅞
GHC	594,200	21	− ⅛
ApidDv	555,800	4⅝	+ ¼
Wang B	545,800	38½	+ 3¼
Amdhl	527,500	37	+ 1½
BradfdN	500,400	12⅜	+ ⅞
Dor Gas	473,600	18½	− 1⅞
RngrO	468,300	14¼	− ⅛

MARKET DIARY	Last Week	Prev. Week
Advances	460	545
Declines	321	269
Total Issues	933	943
New Highs	146	111
New Lows	12	17

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	32,242,035	332,463,735
Same Per. 1980	36,350,975	463,893,105

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Charity

What has Ronald Reagan declared war on? If, as first appeared, the enemy is America's economic straits, then many of us, suspending neutrality or partisanship, are willing to enlist. But increasingly we're dogged by the suspicion that he also has another enemy in mind: the philosophy of social justice this country has evolved over the last 50 years.

"I don't think people are entitled to any services," says Budget Director Stockman. Martin Anderson, the President's chief domestic adviser, says, "People are quite benevolent. That's good. But it's quite a different thing for people to demand that they have a right to a certain amount of income or services." And elsewhere the Administration says that services chopped out of the Federal budget can be supplied by the states, or business or volunteers.

In other words, there is no such thing as social obligation. There is only charity — someone else's charity. If that is the Administration's philosophy, it deserves to be denounced.

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First, some semantic business. Standing alone, the budgeteers' word "entitlements" certainly does sound arrogant: The poor are not constitutionally entitled to any services they deem necessary. But there are some things people should not have to beg for.

Food, for instance, or safe housing, or a lawyer when there's trouble. Would Mr. Stockman or Mr. Anderson deny a sick person access to a hospital emergency room? Surely not. Is that an *entitlement* to medical services? Call it what you will.

Americans are a generous people, exceedingly generous. Carl Bakal has written that our collective private philanthropy comes to about $180 a day for each man, woman and child in the nation. In Canada, it's $35. There is a vast role for private philanthropy; there may even be a case for enlarging it. Maybe, when Federal job programs are chopped back, industry could help pick up the slack. Maybe, when funding for legal services is eviscerated, private law firms could step in. Maybe. But two problems get in the way.

☐ *If this idea of charity, of supplanting Federal social justice with private voluntary action, is sincere, then why does the Administration not pursue it?*

The genial host, corporate persuader and Great Communicator in the White House needs no lessons in stimulating the private sector. Has he invited the heads of the 100 biggest companies to the White House to encourage them to create a private job program large enough to offset his budget cuts? Has he assembled partners from large law firms and urged them to provide surrogate legal services?

No. Which raises the suspicion that his Administration is much less interested in proving theories than in abandoning social welfare altogether.

☐ *Even if the Administration now injected action into this theory of voluntarism, it would not suffice.*

Deep down, society knows that. Consider jobs. Franklin Roosevelt wrote to a friend in 1934 that "I cannot say so out loud yet, but I hope to be able to substitute work for relief." In 1965, Lyndon Johnson and Henry Ford II launched their then-celebrated, soon-forgotten JOBS program. Richard Nixon, Gerald Ford and Jimmy Carter all had similar ideas. One after another, under the pressure of this merger or that retrenchment, they disappeared.

But assume that a voluntary jobs program could work. How much more can voluntarism do, generally? Federal spending constitutes three-fourths of the total spent for social welfare. Even if Mr. Reagan could mobilize every one of the 800,000-odd charitable institutions, he could not begin to replace Government's role in providing services that help people ranging from alcoholics to lactating mothers.

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The Federal Government has undertaken so many services because society has learned that the states alone cannot combat hunger, that volunteers alone cannot provide minimal medical care. Society has turned to the Federal Government because it is the logical place to address such needs, through the organization of voluntary programs like VISTA, or the Foster Grandparent program that Mrs. Reagan has taken to heart.

That Washington is the logical place doesn't mean it is necessarily efficient, or effective, or even humane. But to say "no entitlements," or "let the states do it," or "let the private sector do it" is a barely varnished way of saying "Don't do it." And that is not a war against inflation. It is a war against the poor.

What Should Oil Companies Buy?

"Don't leave anything sitting around on a table, or we'll buy it," says an oil company executive. He testifies to an embarrassment of riches. The oil companies' bottom line now shows a third of all corporate profits. And with cash pouring in at a rate of $100 million a day, they are looking eagerly for ways to diversify into other businesses.

This buying spree is not likely to please consumers, who for years heard that higher fuel prices were needed to finance exploration. And there is rumbling on Capitol Hill about limiting the takeovers, especially of mineral properties. We don't think that would make much sense. But the industry's current drive for diversification should lay to rest any lingering doubts about the adequacy of current exploration incentives or the virtues of the windfall tax.

Mobil owns Montgomery Ward. Atlantic Richfield owns Anaconda. Exxon makes office equipment and last year found an extra billion in loose change with which to buy Reliance Electric. The pace of acquisitions is picking up. In one week in March, Standard Oil of California offered $4 billion for Amax mining while Sohio bid $1.8 billion for Kennecott. And Seagram offered $2 billion to acquire St. Joe Minerals — $2 billion that the giant liquor distiller had made on the sale of oil lands.

Industry critics see all this as evidence of the folly of decontrolling oil prices. It's bad enough to have to pay the Arabs; why fork over an extra penny at the pump so that Gulf or Texaco can acquire a designer jeans business?

The arguments of the oil companies notwithstanding, the industry never really needed decontrol to raise cash for domestic oil exploration. If the funds needed had not been generated internally in profits or depreciation tax savings, they probably could have been raised on Wall Street. But it takes incentive as well as cash to induce exploration.

Decontrol probably was needed to make it profitable to look for high-cost fuel in less accessible places — the Arctic, for example. Equally important, decontrol induces consumers to conserve and eliminates much of the regulatory bureaucracy. In the long run, all this can mean less dependence on foreign sources, and less pressure on world oil prices.

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The nation could, of course, insist that Big Oil put all its extra cash into exploration. But the industry is already working near capacity. With drilling equipment and potentially rich sites in short supply, a "plowback" requirement could easily lead to waste.

Alternatively, one might declare certain kinds of investment off-limits to the oil companies. Some liberals in Congress want to forbid them to acquire coal and uranium reserves. Such restrictions might not do any economic harm, but not much good, either. Both the coal and oil industries are quite competitive; individual companies are not big enough to manage prices significantly by withholding supplies.

Perhaps the only lesson here is political. The oil industry bitterly opposed any tax on the "windfall" associated with decontrol. The tax that was finally enacted has bite, transferring a good chunk of its gain from higher world oil prices to the Government. There is no real case for pressing the oil industry to do more. But neither is there any reason to regret the return of some of the industry's gain to Uncle Sam.

Topics

Daffodils / Yellow Ribbons

If This Isn't Spring . . .

This is how you know it is spring in New York City.

If daffodils at $1.99 a bunch are showing up in the supermarket. If chives in green plastic pots have replaced the parsnips in the vegetable bin. If on leaving the office you suddenly notice that the street lights are paled by the sky and the walkers have slowed to strollers. If, feeling flush, you find yourself saying (and maybe singing) "Waiter, bring me shad roe."

If the pickup basketball game on the corner playground is dropped for pickup softball. If the schmoozers on Seventh Avenue are schmoozing in full force. If an ailanthus, shouting the vegetable equivalent of "One more time," is struggling its way out of a crack in the cement. If joggers switch to shorts. If small girls with small rubber balls are chanting "A — my name is Alice, B — my name is . . ." If the Governor turns overnight from a silver-haired majesty to a chestnut-haired spalpeen.

If all that is happening, then April — stirring dull roots with spring rain and mixing memory and desire — can't be far behind.

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Hostages of Bureaucracy

Yellow ribbons, meet red tape.

The former American hostages in Iran are awash in once-in-a-lifetime offers for articles, speeches and public appearances. They could earn quite a lot as a result, a kind of reward no one could begrudge them. Well, almost no one. Enter the Federal Election Commission.

Federal law prohibits elected or appointed officers from accepting more than $25,000 a year in honorariums. Most of the hostages are Government employees, which means they are covered by the law enforced by the Election Commission. The commission, whose function is conveyed by its title, can't understand why it must enforce the law as it applies to appointed employees. Neither can we, and Congress would be wise to correct that anomaly. But what should the Commission do in the meantime about the hostages?

Its first instinct was safe, starchy and silly: if the law says no more than $25,000 a year, then by golly, that's all the hostages should be allowed. They should not even be permitted to stretch out the rewards of ephemeral celebrity over a period of years. To do anything else might set a precedent that a *candidate* might some day seize. The commission's second reaction has been more sensible, to see if there isn't some way to permit a stretch-out.

But why even bother? There is another, simpler course: make an exception. The hostages are entitled to it; they are demonstrably exceptional. It's hard to believe that a single member of Congress would quarrel. And if, to qualify for the exception, some future candidate chooses to spend 444 days as a hostage, that is a risk the commission and the country should be happy to run.

Letters

Haig's Dangerous Provocation of the Soviet Ur

To the Editor:

To listen to and read the reports of Secretary Haig's testimony before the House and Senate Foreign Relations Committee was both a frightening and infuriating experience.

It would seem that the military-minded Secretary is determined to provoke the Soviet Union into a response that could bring on World War III. How else can we interpret the casual discussion of possible military action against Cuba, already in the planning stage?

And how indifferent the Secretary is to the lives of American citizens was borne out in his brutal, off-hand remarks about the "theory" that the four American churchwomen murdered in El Salvador in December may well have brought it on themselves by trying to run a roadblock.

Before this Administration succeeds in unleashing World War III, saner voices among us, including Republicans, ought at once to speak out vigorously against the current paranoia. Otherwise the only budget items we will be debating — that is those who will still be alive — is just how many billions to spend burying the millions of victims of the Haig mentality.

PHILIP S. FONER
Philadelphia, March 21, 1981

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A Greater Threat to Peace

To the Editor:

In his testimony before the House Foreign Affairs Committee, Secretary of State Alexander M. Haig accused the Soviet Union of being responsible for "international terrorism," of having a "hit list" for domination of Central America and of posing "the most serious threat to world peace that we're facing" (news story March 19).

As a concerned American citizen, naturally I am alarmed at the sudden upsurge of terrorism, and I agree with Mr. Haig that the Soviets are perhaps responsible for a good deal of these events.

However, I must disagree with Mr. Haig's allegation that the Soviet Union poses the "most serious threat to world peace." A far more serious threat to world peace exists right here

SAny

in America, and that is Mr. Haig's constantly open mouth. In order to maintain world peace, the United States must stop insulting the Soviet Union.

The only way that the United States can maintain peaceful relations with the Soviet Union is to take the initiative and adopt a policy of diplomacy and tact with regard to foreign affairs. Because of the tenuous nature of our relations with the Soviet Union, care must be taken to insure our national security. These constant barbs that Mr. Haig keeps throwing at the Soviet Union couldn't be helping.

WILLIAM A. LAURENCE
Portland, Me., March 20, 1981

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Confusion on Nicaragua

To the Editor:

Secretary of State Haig's reference to a Soviet "seizure of Nicaragua" as the first of a "four-phased operation" to gain control of Central America (news story March 19) urgently requires investigation.

Two weeks ago, I was in Nicaragua talking to leaders of that country's Government as well as business managers. They did not regard themselves as having been seized by anybody. The Nicaraguan Government is determined to maintain the independ-

ence of Nicaragua from any

The Sandinista revolution that Government in power w mination of a 10-year strugg a brutal and corrupt dictat identify the United States dictatorship and give the So credit for its overthrow seem be clearly wrong. Even if it it is hardly something we sh ily admit. U.S. interests i America require our ide with the forces of tomorrow, of yesterday.

The most urgent worry of raguan Government today is some $350 million, which it mediately to finance the pu wheat and other necessities. ernment is under no illusion going to be able to obtain e from the U.S.S.R. or Cuba.

The Congress should call Haig back and get this straightened out. The U.S. brink of a disastrous failure interests in Central America clear.

GEORGE
Professor of Business Adm
Harvard
Boston, Mar

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'Cut It Out, Mr. Alle

To the Editor:

Reagan's foreign policy m Richard V. Allen, the assistant for national secu decries "outright pacifist in Western European nati as their hopes that "arms gotiations [might substitute ernization efforts in [their systems" [news story Marc

This is one suburban Bo ter (a U.S.M.C.R. veteran rifle-machine gun fire in War and subsequently a the happier movement Vietnam War) who says, Mr. Allen! Be careful of you This could lead to nuclear next step going to be the sys lencing of 'pacifists' in the happen to agree with som sentiments in Western Euro

(Rev.) DAVID V
Weston, Mass., Ma

Lopsided Plan to Cut Student Aid

To the Editor:

Marjorie Hunter's March 14 news story says thousands of college students would lose Federal aid and possibly have to drop out of school this fall if new Reagan Administration proposals are accepted by Congress.

The two principal changes proposed in the Pell Grant, or Basic Educational Opportunity Grant, program would have the following effects:

• Most students with family income over about $19,000 would receive no aid at all. At present, most students with family incomes of up to $25,000 receive some help. This means that about 400,000 students at public colleges and 200,000 at private colleges would be eliminated from the program.

• The so-called "$750 self-help" provision is even more dangerous. It is not a self-help provision at all — it is a change in the formula which sharply reduces aid to hundreds of thousands of students in public colleges and many profit-making schools. It does not affect students at private colleges.

Many students with family incomes from about $8,000 (below the poverty line) to $15,000 would have their Pell grants cut, possibly by $500 or more. Hundreds of thousands would be affected, especially low-income and minority-group students, self-supporting students and students living off campus.

New York and other states of the Northeast and the Middle Atlantic region would be especially hard hit by these proposals because of high and rising tuition and other charges at public colleges. Other proposed reductions in the Guaranteed Student Loan and Social Security Student Beneficiary programs would also hit the Northeast.

New York in 1980-81 lent $777 million under the G.S.L. program, received $314 million in Pell grants and had some 74,000 students on Social Security benefits, receiving over $17 million a month. The data for other Northeast and Middle West states are comparable.

These proposals, especially the highly discriminatory "self-help" proposal, must be defeated at all costs. If budget reductions in student aid are to be made, they should not fall largely on public colleges or low-income students.

JOHN P. MALLAN
Washington, March 16, 1981

The writer is vice president for governmental relations of the American Association of State Colleges and Universities.

A Pool of Counse On Public Policy

To the Editor:

Flora Lewis's March 13 co for the creation of an Acade tional Policy.

The National Academy of ministration (of which I am is similar to the body she pro tablished in 1967, the acad vides government agencie public with the advice of ab enced public servants; in fashion as the National Ac Science and Engineering.

The academy is a nonpro organization. Our 273 electe — prominent scholars and p Federal, state and local gov are committed to improving tiveness of public institutio quest or at our own initiativ vene panels to study and ma mendations on issues of gove ministration or policy. One ported on Watergate, anoth reported on the Presidency in

Miss Lewis is correct. I does not make adequate us who have rendered distingui lic service. Our academy s just that.

GEORGE
Washington, Mar

Rail-vs.-Bus Issue Lacks Crucial Data

To the Editor:

The present debate on whether or not to cut operating subsidies for Amtrak's passenger service focuses on its operating deficit, and opponents of continued help for our national rail passenger system insist that competitors such as the inter-city bus system are not only unsubsidized but make a profit.

A bus rides on a highway provided for it free of charge by government. To be sure, a bus pays fuel and other taxes — but it is a truism that the motorist pays the bulk of gasoline and/or fuel taxes nationally and that essentially both interstate trucking systems and bus systems are largely subsidized by motorists.

Amtrak, on the other hand, does not enjoy the luxury of operating on tracks supplied free of charge by a state government; Amtrak has to rebuild and maintain those tracks, their roadbed and the entire system out of its operating funds.

One train can carry better than 20 times the passenger load of a bus. There is obviously an energy saving there, and labor savings as well. But there is no agreement on just what the numbers are.

What is needed — and not available so far — is an honest analysis of the *total* cost to the public of the construction, maintenance and operation of the highway transportation system for both passenger and freight carriage as compared to that for the national rail system. Without that, the rail-versus-bus argument will settle nothing and is fruitless.

CONSTANTINE SIDAMON-ERISTOFF
New York, March 23, 1981

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

Reagan's Poor Choice of a Friend in Africa

To the Editor:

Five senior South African military leaders, headed by the chief of South African military intelligence, received visas at the U.S. Embassy in Pretoria without the Embassy's knowing who they were (news story March 15). During the week of March 10, they met in Washington with a Cabinet member, an official of the U.S. Defense Intelligence Agency, a staff officer at the National Security Council and members and staff of Congress. Yet the Reagan Administration claims that it had no advance knowledge of the visit.

This stretches credulity to the breaking point. How are we to understand this visit when the State Department insists that the U.S. policy of not granting visas to high-ranking South African military officers remains in effect? Unfortunately, there are several clues, all of them disturbing.

In an interview with Walter Cronkite, President Reagan characterized South Africa as a "friendly nation," and there are reports that he is considering extending an invitation to Prime Minister Botha to visit the United States. Further, his Administration has asked Congress to remove the ban on covert U.S. aid to the Unita forces in Angola, which, with South African backing, are attempting to destabilize the Angolan Government.

Though it is said to be under review, U.S. policy in southern Africa is clearly shifting. South Afri only nation in the world tha 80 percent of its people of the damental political and hum on the basis of race. If "friendly nation," as Presid gan says, then the United St its friends among the most and unjust governments in The American people wa serve better friends — those struggling to bring justice ity to southern Africa.

GAIL
Research
American Committee
New York, Mar

Forgotten Chad

To the Editor:

El Salvador dominates our foreign-policy grumblings. seem to be myopic about the developments in poor and Chad. If our new Administ trying to halt internationa nist advances, why are France) allowing Libya to ta of Chad? Qaddafi's adventu rants more serious respons Government than do the mos nal struggles of El Salvador.

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New York, Marc

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Land Crunch?

By Frank J. Popper

BETHESDA, Md. — Just how much spare land is there in the United States?

Agriculture Department experts believe that the country will never lack farmland, since they project that 200 million acres of land can be transformed to agricultural use if necessary. Energy Department experts expect no problems in finding sites to extract raw materials and convert them to energy, for they, too, consider 200 million acres available if needed for energy projects. Forest Service timber experts foresee a bright future for the lumber and paper industries on the 200 million acres that they, too, estimate could become new timberland.

The apparent coincidence of 200-million-acre projections seems suspicious. The three projections may in fact be mutually exclusive. The various specialists, isolated from each other, easily could be talking about much the same 200 million acres — approximately 15 percent of the land area of the United States, excluding Federal lands.

Yet the demand for farm, energy, and timber land and goods will grow rapidly as our population and exports (especially of food) increase and as domestic energy production swings into high gear. The three land uses could occupy largely the same space.

Such competing, or colliding, land demands cannot be fully met, and the shortfall would have enormous consequences. In rural areas where the demands collided most intensely, land prices would rise to levels that would make today's jarring prices seem pleasant. Pollution and other environmental damage would soar. There might be violence. Across the nation, the effects of a land crunch would be worse. Farm, energy, and timber products would become much more expensive, with tremors reverberating throughout the economy. A rise in timber prices, for instance, would make housing costs even more forbidding than they are today.

There would be severe shortages in national supplies of many farm, energy, and timber products, particularly specialty crops, fuels, or woods, and this would drive prices of the products further upward. Many producers would have to use less-productive land, again with price rises. Farming, timbering, and energy industries would undergo wrenching changes. The customers, suppliers, and employees of the industries would suffer, as would overall national economic growth.

How can we forestall a land crunch? First, we should determine its extent. Appropriate Federal agencies — certainly the Agriculture, Energy, and Commerce Departments, and perhaps the Interior, and the Housing and Urban Development Departments — should pool their expertise to estimate the timing and location of mounting demands for land. The agencies might discover, for example, that the demand for energy land would largely pre-empt its competitors across the nation, or would completely do so in some places.

These Federal agencies should also try to locate "hot spots" — areas of highly productive land where the three main demands, and others, would collide with particular intensity. Central New Jersey could be such an area, with its problems exacerbated by urban growth from New York City and Philadelphia. Southern Illinois would probably be another, with especially heavy demand from the coal industry.

Federal and state agencies could help these hot spots devise local land-use controls that would mitigate the effects of mounting demands for land. The agencies and the local areas could experiment with nonregulatory means — economic incentives, for example — that promise to shift some demands away from hot spots while ensuring that the demands were still largely satisfied.

The possibility of colliding demands should force a reassessment of Federal land holdings, which constitute one-third of the United States' land area. These public lands are primarily in the West but are surprisingly extensive in Georgia, Maine, and West Virginia. In the past, these lands were treated as unproductive wastes, resources to exploit, wildernesses to preserve, recreation areas to enjoy. Their primary custodians, the Interior Department's Bureau of Land Management and National Park Service, and the Agriculture Department's Forest Service, now manage them with a "multiple-use" policy that tries to strike a balance between past approaches.

Yet the public lands could assume a new function, as a safety valve to draw off excesses of demand on private lands, particularly hot spots. The so-called sagebrush rebellion — Western states' attempts to gain state or private control over Federal land-holdings — might inadvertently provide this outlet. A more direct way would be for the Interior and Agriculture Departments to start managing their holdings so as to anticipate a land crunch. If economic circumstances of coming years force us to go to the nation's land cupboard, it need not be bare.

Frank J. Popper, a land-use consultant, is author of the recently published book "The Politics of Land-Use Reform."

U.S. Aid to Our City

By Harrison J. Goldin

New York City depends less on direct Federal aid for balancing its budget than 54 of the 57 largest cities in the United States. Only Sacramento, Calif., and Newark, N.J., rely less on direct Federal funds.

Are these statements surprising? They are but two of the fascinating conclusions one can draw from statistics in a Census Bureau publication, "City Government Finances, 1978-79," issued last year. (There is yet no publication for 1979-80.)

Reading it, conservatives in the South and West who have been talking about cities on the "Federal dole" and throwing rocks at New York City for what they think are our abuses would learn that they are living in glass houses as big as their outdoors.

What else can we New Yorkers learn from it? Two things: The Big Apple is far from being Uncle Sam's most beggarly, aid-swollen client; reliance on our own revenues is far greater than commonly perceived.

The Census Bureau calls Federal aid "inter-governmental revenue," defining it as Federal operating aid Washington gives directly to the cities; that excludes urban aid that is first granted to the states and then allocated according to varying state formulas.

If one compares cities receiving direct Federal aid, and considers such aid as a percentage of a city's general revenues, one sees that New York City ranks 55th — third from the bottom — with only 7.7 percent of its general revenues coming directly from Washington during fiscal 1979.

The five top recipients of direct Federal aid are cities in the South and West: El Paso, Tex., which received an extraordinary 42.4 percent of all its general revenues from the Government; New Orleans, 35.7 percent; Louisville, 34.6 percent; San Antonio, Tex., 34.2 percent; and Honolulu, 33.8 percent.

Moreover, these cities spent virtually nothing on education, social services, and hospitals — such services being provided and funded by their respective states, counties, or independent districts. Actual city spending for those services ranged from zero to 2.6 percent of their total general-purpose expenditures. By contrast, these three functions alone consume 54.8 percent of New York City's general-purpose expenditures.

What about Federal urban aid that is first granted to the 50 states and then allocated within each state? The great variety of intra-state aid formulas make accurate comparison of state-funneled Federal urban aid extremely difficult.

The classic example is welfare and medical assistance. Take Aid to Families with Dependent Children: Only 11 of the 50 states, including New York State, require local governments to share the cost of the program. Only six states, including New York State, require local governments to share the cost of Medicaid benefits. Hence, the Census Bureau limits its comparisons to Federal operating aid given directly to the cities, and excludes "pass-through" urban aid given to the states.

But before one concludes, erroneously, that New York City receives an inordinate share of indirect Federal aid, consider that the indirect (state-funneled) aid amounted to 13.1 percent of the city's general revenues in fiscal 1979. This, added to the 7.7 percent share that is direct aid, means that all Federal aid to our city amounted to 20.8 percent of general revenues in fiscal 1979.

Moreover, if one compares what each state receives from Washington in operating aid in terms of each state's total general revenues, one finds that New York State is far from the top — actually ranking only 16th in fiscal 1979. Dependence on the Federal Government ranged from a high of 36.3 percent recorded by Montana, to a low of 18.8 percent set by Alaska. New York State's rate of dependence was 29.4 percent. Some states receiving proportionately more included: Mississippi, Alabama, South Carolina, Georgia, and Wyoming.

Now, while indirect Federal aid to cities (that is, urban aid given to states and then allocated differently in each state) is not really comparable, combined Federal and state aid is. Over a three-year period, New York City has shown a steadily declining dependence on combined Federal and state aid: 47.38 percent of the city's total revenues in fiscal 1977, down to 45.08 percent in fiscal 1979.

There was a corresponding decline in the city's relative standing when its dependency rate over the three years is compared with the rates of the 56 other largest cities in the United States. The city dropped from 12th place in fiscal 1977 to 17th place in fiscal 1979, behind such cities as Memphis, Baltimore, Detroit, Phoenix, El Paso, and New Orleans.

The conclusion? No matter which category you consider — direct Federal aid to cities, Federal aid to states, or combined Federal and state aid to cities — New York City received less proportionately from Washington than many other cities, and our city is more reliant on its own revenues than is commonly perceived.

Harrison J. Goldin is Comptroller of New York City.

WASHINGTON

The Pope's 'Divisions'

By James Reston

WASHINGTON, March 28 — In one of his many moods of contemptuous mockery, Josef Stalin once asked: "How many divisions has the Pope?" Now his successors have the answer in their struggle with the Polish people and the Roman Catholic Church: "Too many for comfort."

Like many other imperialists in the past, the Soviets have run into a faith stronger than their own. They have tried to corrupt it, to reason with it, and to frighten it with their encircling armies, but without success. Now they face the consequences of trying to crush it.

Few ancient dictators ever had a much more difficult dilemma than Leonid Brezhnev's. If he does not stamp out this flame, it may gradually smolder underground across his empire and even threaten his disillusioned homeland. And if he does suppress it by military force, he will expose the fatal flaw in his system and mobilize world opinion against his country.

But that's his problem. The question in Washington is how to prevent a Soviet invasion, if possible, and how to react if this proves to be impossible.

First, the Reagan Administration is using every available diplomatic channel to try to persuade the leaders of the Solidarity labor movement not to overplay their hand. Also, the most private and urgent appeals are being made to the Polish Pope in Rome to use his incomparable influence with the Polish people to get them to stop short of provoking a test of military power.

Secretary of State Haig is a devout Roman Catholic, with family ties to the church, and it can be assumed that he is working through this channel to keep the workers' revolt alive but not reckless, and to persuade the Soviets that they must stay out or face the hostility of the free nations.

If he fails, or if the Polish armed forces quell the revolt temporarily, the outlook will be bleak, for the Reagan Administration is still inexperienced and divided on how to handle such a crisis.

Secretary of Defense Weinberger has implied that the United States would not rule out the use of military force, but he does not speak for the Administration, let alone the Congress. The first impulse here would undoubtedly be to raise the military budget even higher, despite the effect on the President's economic recovery program, and to extend the U.S. embargo to all trade with Moscow.

Not only would the proposed arms control talks with the Soviet Union be shelved, but at least some members of the Reagan Cabinet, including Secretary Haig, would undoubtedly urge reinstitution of the U.S. military draft. Haig has favored this ever since his days as NATO Commander in Europe.

Other options are under consideration:

- The expansion of radio broadcasts to the restless peoples of Eastern Europe and the ethnic communities within the Soviet Union.
- Renewed pressure on the Soviet Union's ally Cuba, including the possibility of a naval blockade of that island — long a favorite talking point with Reagan.
- Increased military aid to the guerrillas fighting against the Soviet occupying forces in Afghanistan.
- More emphasis on speeding up the development of the U.S.-Middle East Rapid Deployment Force, which at present is not very rapid and not much of a force.
- And finally, closer relations, involving the possibility of military aid, with the anti-Soviet regime in China.

Options, however, are not policies. Even in the present anti-Communist mood of U.S. public opinion, the Congress would not be enthusiastic about reviving the draft, or about blockading Cuba, which in international law would be an act of war.

Nor would the allies be eager for any such confrontations. These would require that they raise their defense budgets and jeopardize their trade with the U.S.S.R. No doubt they would join in verbal and diplomatic protests, but many of them still regard Poland as part of the Soviet sphere of influence, and have too many sad memories of the Second World War to risk the threat of Soviet missiles now targeted on every major capital and industrial center of Western Europe.

Accordingly, the main hope now lies with the restraining influence of the Pope. The trouble with this Solidarity movement in Poland is that it is not solid. Its leaders are not sure that they can control the workers, but the Pope might.

Thus all the temporal forces in conflict find themselves in the paradoxical situation of relying for peace on the spiritual forces that have sustained the Polish people in their defiance of the failing Soviet ideology and economy since the end of the last World War.

In this secular age, faith may be "an illogical belief in the occurrence of the improbable," but in Poland, as Tolstoy tried to tell the Russians, "Faith is the force of life." It baffles and terrifies the Soviet Union more than all the divisions and missiles in the West, and it now rests in the hands of the Vicar of Rome, rather than with Al Haig, Ronald Reagan's "vicar" in Washington.

ABROAD AT HOME

Showing His Colors

By Anthony Lewis

BOSTON, March 29 — Every so often in our open society a public figure inadvertently displays his true character in a way that, once understood, can never be forgotten. It happened to Senator Joseph McCarthy when, cornered, he tried to distract the Army-McCarthy hearings by slandering a young lawyer. It happened the other day to Alexander Haig.

The flurry over the Secretary of State's power in the Reagan Administration is not what I have in mind, significant as it has been. That affair turned on the not very amazing discovery that Haig is an ambitious man. Someone in the White House finally noticed that he had a lean and hungry look.

The personally more revealing moment came a few days earlier, when Haig spoke about the killing of three Catholic nuns and a lay worker in El Salvador last December. His words did not get much notice at the time. They deserve attention.

The Secretary of State was testifying before the House Foreign Affairs Committee. He said this:

"I'd like to suggest to you that some of the investigations would lead one to believe that perhaps the vehicle that the nuns were riding in may have tried to run a roadblock, or may accidentally have been perceived to have been doing so, and there'd been an exchange of fire and then perhaps those who inflicted the casualties sought to cover it up. And this could have been at a very low level of both competence and motivation in the context of the issue itself. But the facts on this are not clear enough for anyone to draw a definitive conclusion."

The next day newspapers reported Haig suggesting that the four American churchwomen may have tried to run a roadblock and been killed in an exchange of fire with security forces. That same day Haig appeared before the Senate Foreign Relations Committee, and Senator Claiborne Pell of Rhode Island asked him about his comment.

"I'm glad you raised it, Senator," Haig replied, "because I read some of the press reportings, which were of course not what I said."

He explained that an autopsy on one woman showed the death bullet to have gone through glass first. That meant, he suggested that one soldier might have fired through a car window, and then others panicked.

"I laid that out as a, one of the prominent theories as to what happened; and I hope that it does not get distorted or perverted emotionally and incorrectly."

Senator Pell asked whether he was suggesting the possibility that "the nuns may have run through a roadblock." With a tone of amazement in his voice, Haig said:

"You mean that they tried to violate . . . ? Not at all, no, not at all. My heavens! The dear nuns who raised me in my parochial schooling would forever isolate me from their affections and respect."

Pell asked about the phrase "exchange of fire" used by Haig. "Did you mean that the nuns were firing at the people, or what did 'an exchange of fire' mean?"

Haig chuckled. Then, with an air of levity he continued:

"I haven't met any pistol-packing nuns in my day, Senator. What I meant was that if one fellow starts shooting, then the next thing you know they all panic."

That was Haig's testimony. What does it have to do with the facts?

From what is known and has been published, the four women were picked up on the way from the airport to their house late in the afternoon. They were killed many hours later, in a different place. They were shot in the head at close range. None of those facts is consistent with a mix-up at a roadblock.

Haig's "prominent" theory has in fact never been taken seriously in the investigation of the killings, according to people involved in that investigation. An early report that glass fragments had been found in one of the bodies was later called erroneous.

The theory sounds, indeed, as if it could have been based on something floated by the Salvadoran right to obstruct a real investigation. From the start the effort to find the killers has run into obstacles in El Salvador. For two weeks U.S. diplomats could not even get local doctors to perform autopsies; the doctors were afraid of finding something that pointed to the security forces. The F.B.I. has waited two months now for Salvadoran officials to send some promised fingerprints.

Whatever the effect of Haig's comments in El Salvador, they say a good deal about their author. An American Secretary of State, talking about the vicious killing of four American women, suggested that they were responsible in some measure for their fate. The next day, challenged, he tried to slither away, joking and expressing amazement and blaming the press.

Some who heard Haig felt outrage, but no member of Congress expressed it. No one followed the example of Joseph N. Welch, counsel in the Army-McCarthy hearings, and said: "Have you no sense of decency, sir, at long last? Have you no sense of decency?"

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Arts & Leisure

Life as Ellington's Son Was Mostly 'Mood Indigo'

By MICHIKO KAKUTANI

As he lay dying in a New York hospital, Duke Ellington turned to his son, Mercer, and asked him to finish editing the tapes of the Third Sacred Concert. Although Mercer had long been a composer in his own right, it was the first time that Duke had ever really acknowledged his musical judgment, and his words of recognition were to be among his very last. Duke Ellington died several days later, and after more than 50 years in the shadow of his famous father, it seemed that Mercer was finally on his own.

"Over the years, we'd had so many arguments," said Mercer, recalling his father's domineering pride. "But the only time you feel at a loss is when you don't have anything to fight, and one of the things that made me feel so lost was that when Pop passed away, I was left without an argument. My thought of what to do never really went past him. He was supposed to last forever."

It has now been seven years since Duke died, and in death, as in life, he continues to haunt his only child. Eight times a week, when the curtain goes up at the Lunt-Fontanne, Mercer Ellington is there on stage, conducting the band as it performs some 40 Duke Ellington pieces. "Sophisticated Ladies," a revue of Ellington's music, has been acclaimed as Broadway's newest hit, and Mercer Ellington is suddenly in the spotlight, a spotlight really focused, as it always was, on his father. "My son, Mercer Ellington, is dedicated to maintaining the luster of his father's image," wrote Duke in his autobiography, and Mercer has indeed become, as he says himself, "the keeper of the keys," a loyal custodian of his father's memory and his music.

Like all sons, Mercer Ellington loved and admired his father, and sought his love and admiration in return. Yet at times, he says, he also hated his father — a feeling he explains by quoting a family friend who once said, "Hate is such a luxurious emotion, it can only be spent on one we love deeply." Indeed his ambivalence toward his father is reflected by the fact that he sometimes refers to him as "Pop," sometimes as simply "Ellington." In Mercer's case, of course, all the usual filial emotions were heightened further by his father's remarkable achievement — an achievement that Mercer, having chosen the same profession, would encounter again and again in the form of invidious comparison. Just as there were special privileges attached to being the son of Duke Ellington, Mercer found, there were also special expectations and doubts.

Duke Ellington, after all, was blessed with rare and special genius. As a composer, he wrote some 3,000 original works, ranging from such popular hits as "Mood Indigo" and "Satin Doll" to the religious pieces of the Sacred Concerts. As a conductor, he nurtured one of the finest bands ever, a band that included such outstanding talents as Johnny Hodges, Harry Carney, Ray Nance, Cootie Williams and Jimmy Hamilton. And as far as his colleagues were concerned, he had won all the awards, traveled to all the countries, and enjoyed every honor. He was, as the noted jazz critic Ralph J. Gleason once observed, "a musician's musician and a composer's composer. And one incredible man."

Even as a young child, Mercer was aware of his father's singular reputation. He heard the band on records played on his grandmother's old Victrola, and when he finally saw his father on stage, Duke seemed to personify all the glamour and wonder of show business itself. He was handsome and charming and he made the audience applaud by doing what he loved, and young Mercer knew then that more than anything in the world he wanted to be a part of the band. "The shock came when I came around people who didn't know how great Pop was," he says. "It was like you were born into royalty or something. Your father was a king."

The king, however, was not a very attentive father. He was fond of saying, "music is my mistress," and he let nothing interfere with that one love. According to his son, he never particularly wanted children — Mercer was conceived out of wedlock — and he particularly did not want a son. Duke was always "girl-conscious," says Mercer, and would have preferred a daughter. As a result, Mercer's hair was kept in long braids so his father "would tolerate [his] presence."

In any case, Mercer saw little of his parents during the first seven years of his life: he was left with his grandparents in Washington, while his parents — Edna Ellington was one of Duke's "showgirls" — played the clubs in New York. Around 1928, when his parents separated, Mercer began spending half a year with his mother, half with his father. Even then, he says, his father had little time for him. Mercer signed his own report cards, and turned to his father's sidemen for companionship and solace. They were the ones, says Mercer, who actually introduced him to his father "as a person" — they explained Duke's music, and they told Mercer about his likes and dislikes.

As for his parents' separation, it would become another source of tension between Mercer and his father. Although Duke supported Edna until her death, he tended to avoid her, going so far as to ignore her in his autobiography. Mercer, on the other hand, remained a devoted son, sending her money every week so she could refurnish her apartment. "Mercer always remained loyal to his mother," says Stanley Dance, Duke Ellington's biographer. "And this may have been the source of some irritation. Duke loved the ladies and that made for a kind of divisive thing between them."

Still, Mercer was always eager to win his father's affection, and he quickly discovered that music was the way to his father's heart: if Duke were expected home at 4, Mercer would sit down at the piano at 10 minutes to 4 and begin playing, in hopes that his father would stop and listen. Curiously enough, he never felt the impulse to rebel, never really thought of abandoning music altogether. Although there would be brief stints as a liquor salesman and a semi-professional football player, Mercer would always return, in the end, to music.

Music was such a part of his childhood, after all, that it must have seemed there was no other choice: his grandfather played the piano, his mother played the piano, and his childhood friends spent their afternoons in the park, figuring out chords on their ukuleles. By the time Mercer was seven, he was already serving as an assistant band boy with his father's orchestra. "It seemed to me that everybody was just supposed to love music," says Mercer. "You know, get up in the morning, practice on his horn, go to the job and then come on back home. I just didn't know anything other than that."

Duke, too, encouraged Mercer's interest in music, sending him to Columbia and Juilliard for formal training — training which, given Duke's antipathy toward rules, eventually led to further differences. From 1940 to 1941, however, while the band was playing on the West Coast, Duke himself began giving Mercer lessons in composition and arrangement. He would write out various harmonies and instruct his son to compose an appropriate melody. "I learned enough from him at that point to teach myself from his work," says Mercer. "It was never a question of competition — he was much more a genius than I. The things I was working at were to gain his approval."

Under his father's supervision, Mercer wrote such well-known pieces as "Moon Mist" and "Things Ain't What They Used to Be," and began to enjoy a close relationship with the band. By the 40's, however, Duke had adopted Billy Strayhorn, the talented young composer of "Take the 'A' Train," as a kind of second son, and Mercer says he found it increasingly difficult to get the band to play *his* compositions.

In order to hear his own music performed, Mercer began writing for other groups without pay — he discovered they would accept his tunes on the basis that he was "Ellington's son and must have some ability" — and finally decided to organize a band of his own. At first this endeavor appeared to have Duke's blessings: he "loaned" Mercer the singer Al Hibbler, and suggested that the new band print the "Mercer" very small and the "Ellington" very large and accept some of his own lucrative dates. Mercer, however, struck out on his own, and began touring small towns in the South, which his father had refused to play.

As Mercer's band began to establish a reputation of its own, Duke's displeasure grew. For one thing, says Mercer, he "snatched Hibbler back." "I had signed contracts to produce Hibbler," Mercer recalled in a memoir of his father. "But now I couldn't make the dates and was sued for two months. We got into all sorts of predicaments. My father would never do anything overt or bad enough to really hurt, but if my foot slipped he would let me go all the way down."

In 1964, however, Duke Ellington asked his son to become his road manager. "I've had so many managers turn left on me," he said at the time. "And I thought if anyone is going to steal money off me, I'd keep it in the family." Although he was then a successful disk jockey at WLIB, Mercer decided "to put an end to going upstream." His own band had been playing his father's music anyway, and he was tired of the comparisons, tired of all the struggles. Besides, he argued, he had proven that he *could* earn a living on his own, and having accomplished that, he felt ready to serve his father.

"Pop had never asked me to do anything for him before," Mercer recalls. "I would rather have stayed where I was, but all my life, he'd taken care of me, and I always felt I didn't even know what to give him on Christmases because he could just go out and get whatever he wanted himself. I was glad to just do something. In a sense, Ellington was very possessive and saw to it that I never got so far from his sphere. I'd wander, but not too far. I guess you don't want to go away really, you just don't want to be taken for granted."

Not that the job of road manager made for better relations with his father. Discipline in the band was virtually non-existent — an old superstition that the first man on stage was the man most likely to lose his job, for instance, made for chronic lateness — and Duke, used to being surrounded by yes-men, did not welcome criticism. Mercer found himself chastising the same band members who had taken care of him as a child, and he also found himself playing a kind of father to Duke. "In a sense I became more mature than Pop," he says. "He remained the baby because I had to take care of things, had to take the complexities out of life so he could remain totally creative."

Mercer had to do this, of course, without appearing to, for little passed Duke's scrutiny without an argument. He and Mercer argued about money, they argued about booking engagements and travel plans and sometimes they even argued about nothing. "Ellington wouldn't ever say I'm lonesome or let's talk," says Mercer. "That would demonstrate a point of weakness. So sometimes, in the middle of the night, he'd call me up from his hotel room, start an argument and in the middle of it say, 'Well, bring your ledger down here — let me take a look at it.'

"So I'd go over to his room and in the middle of looking at the numbers, he'd say, 'Do you want some coffee or something?' Having gotten me over there, he would transpose the argument into a social conversation." These visits frequently entailed a walk of several blocks: Duke usually stayed at one hotel; Mercer, along with the band, at another down the street.

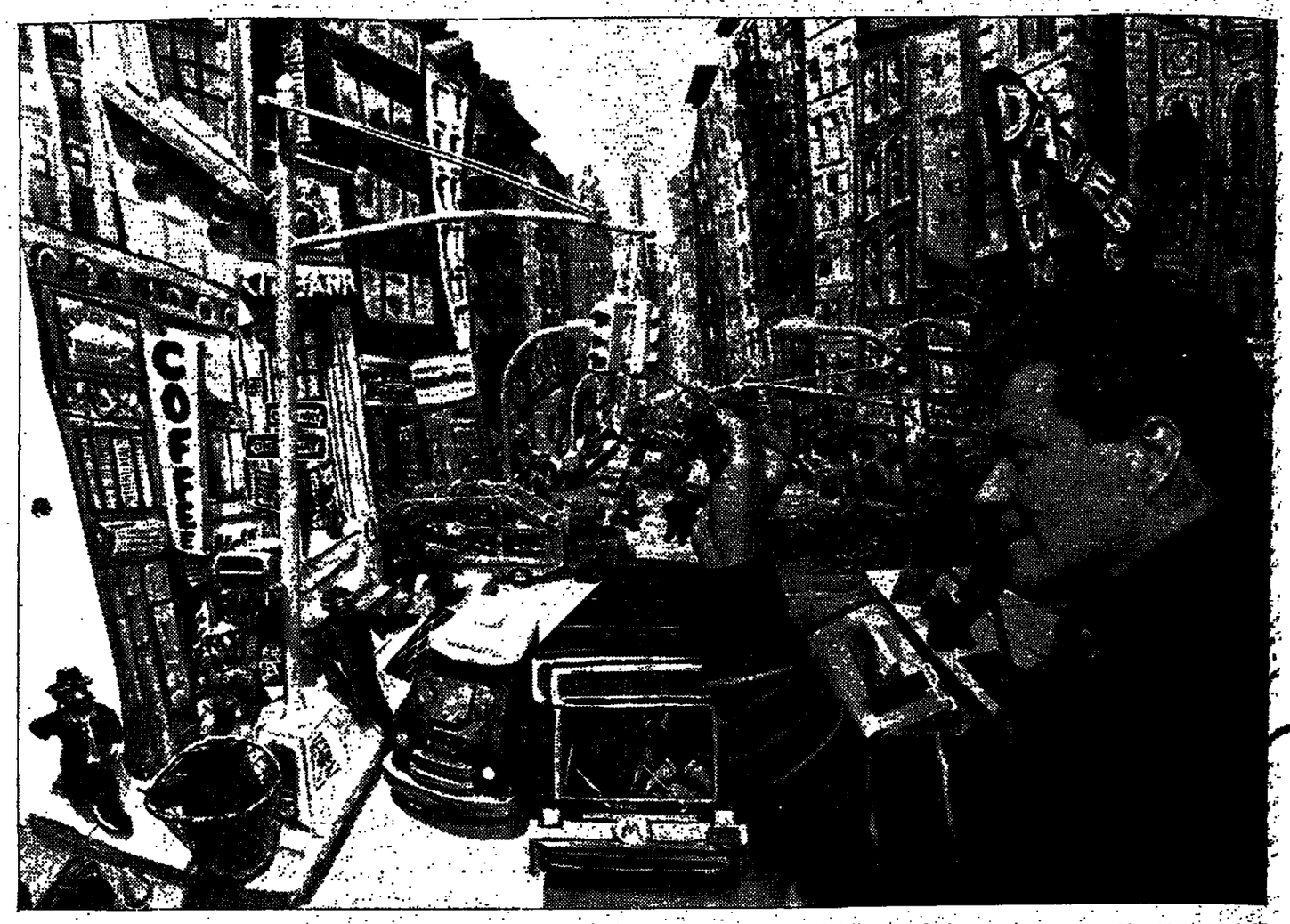
Duke worked up to the very end, and the band played a scheduled IBM convention date in Bermuda the day after he was buried. Although Mercer fully intended to break up the band after his father's death, request after request for memorial concerts arrived, and the band continued to play. "I was too busy to feel the full impact of his death until two or three years later," Mercer says. "It was missing his telephone calls at 4 A.M. or finding yourself in a concert hall you'd played with the old regime. Everything comes back to you and there you are standing all alone."

For all his quarrels with Duke, Mercer Ellington had always wanted a band like his father's, and now he had one. He had resented his Dad and fought with him, but somehow he had always known he would have to come to terms with his overwhelming presence. And now that his father was gone, he accepted everything he had once tried to escape. After Duke's funeral, Mercer's daughter asked him, 'Do you need to be exorcized?' and, in fact, says Mercer, he has found himself becoming more and more like his Dad: the mannerisms — an ironic mode of expression, a gutteral hesitation in the voice — are increasingly the same, as are the careers, so shaped and focused on the music.

"All along I think I tried to be as much like him in every aspect as possible," says Mercer. "Like the only way to dress was to dress the way Ellington dressed. I never felt I could get away from it. Even in music: I would discover something new and when I'd take it to Pop, he'd say, 'Look at what I did in 1935,' and there it'd be. I'd think I'd found a new direction and he'd say, 'that's nothing — I did it in 1947.'

"You are gradually absorbed and as the years go by, I become him. I'm not saying I'm as great as he was, but as I get older I become Ellington and there is no difference of individual ego. What's different is that his task was how to compete with his achievement in the earlier days when he could come up with those startling hits, o another. My job is not self-cor so much as comparison to Duk ton. Whereas he had to prove do something better than he'd fore, we have to prove we're ca doing what he's done already."

Red Grooms Reshapes His Loony World



"It's an old saw that art imitates life, but life — street life, that is — seems to have taken on the curious habit of imitating Red Grooms. In 1976, this robustiously funny artrepreneur put the city's lower depths on the map with his dazzling "Ruckus Manhattan," a rickety, 3-D version of the downtown scene and its landmarks that was a smash hit, with critics and with crowds. Since then, not only real-life garbage cans, but buses, buildings, signs, people and, indeed, whole chunks of the city look as if they'd come right out of a Grooms sketchbook.

New Yorkers find Mr. Grooms's sharp rapport with our urban looniness one of his most appealing achievements, all the more remarkable in that he grew up as an outlander in, of all places, Tennessee. But the artist, a big strawberry blond whose Southern drawl and air of country innocence belie his streetwise savvy, takes his New Yorkophilia very much in stride. To him, Manhattan is really an extension of his native Nashville. "I always liked urban things — I enjoyed the center of the city, and the wonderful types to be seen there," he says. "As a kid, I always fantasized about Nashville being New York. And the first chance I got, I came here." And from the time he arrived — in 1956 at the age of 19 — his reputation as a wildly witty wunderkind began building; it's never really stopped. His early Happenings and films, his luridly animated paintings and constructions, and his outscale environmental tableaux have always commanded attention, and praise from critics has flowed. He has been described as "an extraordinary artist" and his work as "hilarious, an utterly original," by New Yor art critic Hilton Kramer, w "Ruckus Manhattan" as so akin to "a collaboration betwe He Chaplin and the director Cabinet of Dr. Caligari.'"

Now Mr. Grooms (shown hea ing up "Looking Along Bro part of his newest effort) is ha first big show since "Ruckus tan," at the Marlborough Ge show for which he has spent s years preparing.

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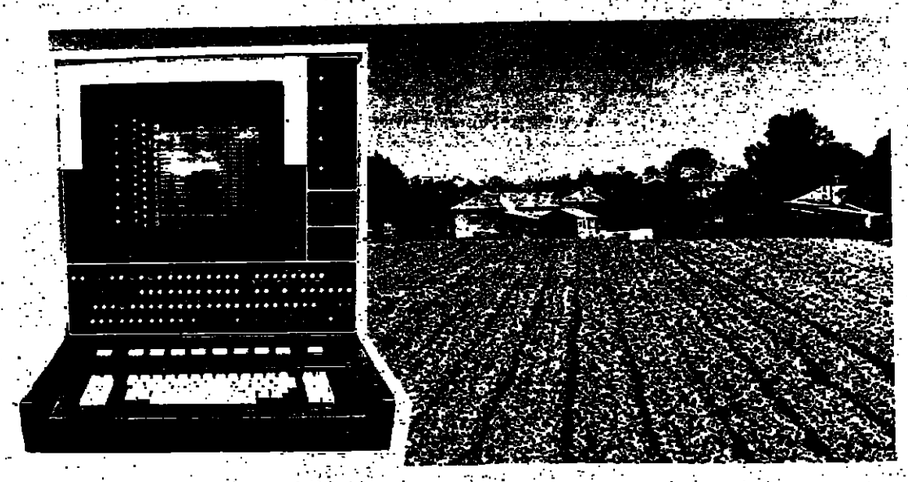

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هكذا من الأصل

The Jerusalem Post's Philip Gillon meets an Israel Television sportscaster who hated sports

CE UPON A TIME there was a utiful young woman who hated rt. So, inevitably, a fairy god- her named Israel Television ed her into a sportscaster, and whole of Israel fell in love with And everyone wondered how small head could hold so much ert lore about so many types of es.

he herome of this tale is Orly iv, who, on every Saturday night most Tuesday afternoons, ghts sports addicts of all ages n she appears on *Mabat Sport Faster, Higher, Stronger*, the th sports magazine.

rly presents the latest hot news n the playing fields and tennis rts with Olympian authority. She ears to be so certain of her sub- that we assume that she grew up ermined to become a combina- of Esther Roth and Chris Evert d.

hat assumption is incorrect: e truth is that I always hated, rts," Orly says. "I never played kind of sport in my life. When I at school, I ran away when we supposed to do physical train- If my boyfriend wanted to ch sport television, I would curl n a corner with a book.

The only time I was at all in- sted was when there was a good cer game, with plenty of exciting s, like in English soccer. But I n't know the difference between ck and a forward — and I'm still sure about it."

ORLY WAS BORN in Tel Aviv on April 1, 1957, the second of three daughters of a restaurateur. When she finished high school and went into the army, she managed to get into Galei Zahal, which involved signing on for an extra two years. After that, she remained in Galei Zahal for an additional year as a civilian.

"I did all kinds of programmes for Galei Zahal," says Orly. "By the time that I had been there for five years, I reckoned it was enough. I became very keen to get into television, and then I heard that Alex Giladi was looking for somebody for the sports department. So I went to see him."

Alex made no bones about it: he wanted a girl to "adorn" the programme. "As a feminist, I was opposed to the idea of being used as a sex object," says Orly, "but, I said to myself, if this is the only way I can get into television, it'll have to do. That was nearly two years ago."

AT FIRST she tried to conform to Alex's concept of what a "sex object" should look like: she spent hours at the hairdresser, battling to control her curls nearer to his heart's desire. And she wore very large, sophisticated spectacles.

I quote to Orly, Dorothy Parker's crack, "Men seldom make passes at girls who wear glasses." She looks sceptical and surprised. I doubt whether she knew who Dorothy Parker was. So pass the glories of this earth.

I was opposed to being used as a sex object, but...'

Rahamim Israeli

"Maybe in those days," she says, "but things have changed. Large spectacles are considered to be very sexy nowadays."

Nevertheless, she was uncomfortable in the spectacles and gave them up for contact lenses, which she still uses. She also gave up going to the hairdresser. "Now I wear what I like and nobody ever tells me to change my appearance." This is understandable: she looks delightful on screen.

If she still knows so little about sports, how can she handle the subject so authoritatively.

"I read texts. Actually, I now know much more than I did about sport. But of course I can't be compared to Yoram Arbel, who really comes from the world of sport.

"Still, I know all the names, and I read *Hasport* with a fair amount of interest. Although I'm still not sure of all the different positions, and I don't know the rules of the games, I certainly understand every word of the scripts that I read.

"And I've done a lot of homework. For instance, before we covered the 1980 Olympics, Alex made me see every single film of the Olympics. He also showed me the final at Wimbledon between Bjorn Borg and Roscoe Tanner, and I got very excited about it. Since then, I really enjoy watching tennis on the screen.

"I look on all sport with a kinder eye. I understand why people enjoy it so much. I went to the basketball cup final. It was great."

DOES SHE THINK that sport is a positive factor in modern society?

"Certainly. Look what the tennis centre did for the kids of Jaffa, getting them off the streets. And Kiryat Shmona — we did that programme on the tennis in Kiryat Shmona and it was really a revelation. But, of course, I have no say in what should appear on a programme."

Has she any ideas, from the programme on which she is working, what dramatic developments she would like to see in sport?

"Maybe some day, in a few years, we'll have *mixed competitions* between men and women. I think that the improvement in women's sport is very remarkable. A few years ago, women athletes were considered to be a joke. I believe that a time will come when they will compete with men."

How would she react to being moved from the sports department to the news department?

"I don't think it would create any great problems for me. It is as easy to say Menahem Begin as to say Gideon Damti. I would still just have to read scripts."

HOW DOES IT feel to be a celebrity? Does she get fan mail?

"It feels good. I do get a bunch of letters every month. And my parents are thrilled when the neighbours come in to tell them nice things about me."

And her boyfriend? Is it the same one she had five years ago?

"The very same. We've been going together now for five years. He approves."

What are her dreams for the future? To become an actress? A director? A producer?

"I'm not qualified to be any of those things. I am learning all the time. Maybe some day I can help to make a programme which is socially significant, a programme about the position of women."

Cadillac-class deli

LETTER FROM LOS ANGELES/Tom Tugend

SINESS is always pretty brisk at rt's Delicatessen in Pacific sades, but owners Morton and bie Farberow have been even er since fellow townsman ald Reagan was elected presi- t.

ince the November election, and never the Reagans are at home, t sends 30 sandwiches up the at lunchtime to feed the orters, television crews and et servicemen staked out in t of the home on San Onofre e. The Farberows are used to coming resident celebrities at only deli in town, but the dwich run has been their closest act with the new president, ex- for the time eight years ago n Nancy Reagan ordered very of a cooked roast.

lthough Pacific Palisades is a way in distance and attitude n President Jimmy Carter's etown in Plains, Georgia, it, provides some clues to the out- and lifestyle of its most famous

acific Palisades hugs the ocean coastline where the Santa Monica Mountains meet the sea and some 8,000 homes line the winding canyons. It was founded in the early 1920s by a group of Methodists as a religious and cultural retreat, and many of the streets in the old "village" section still bear the names of early Protestant leaders.

As the village expanded and climbed up into the hills, the once-modest bungalows have been replaced by swank houses, and a $300,000 home — if you can find one — is now considered a real bargain. In the hierarchy of the town, the Riviera section is the prime location, and that's where the Reagans have lived for the past 25 years.

There is little ostentatious display of wealth, but when the tax rolls are examined the average Palisadian income ranks well above that of Beverly Hills.

Administratively Pacific Palisades is part of the city of Los Angeles, but geography and local preference have preserved a sense of physical and emotional isolation from the rest of the sprawling, restless and multi-ethnic metropolis.

There are hardly any blacks and even fewer Mexican-Americans among the community's 32,000 residents, who are mostly professionals, businessmen and prominent names in the entertainment industry.

WHATEVER GHETTO riots or anti-establishment movements may rattle the rest of California, Pacific Palisades remains an intensely patriotic town. The annual Americanism and July 4th parades are the highlights of the year and one Washington reporter noted that he had saluted the flag more often during a few months in Pacific Palisades than in all the years he had lived in the nation's capital.

A future sociological study might explore to what extent the *weltanschauung* of Pacific Palisades has shaped the philosophical views of Ronald Reagan, but the broad community profile, marked by a certain distance from minority problems and the sweat of urban conflict and affirmation of patriotic verities, closely matches that of the new White House incumbent.

There is a Jewish presence in Pacific Palisades — mostly post-World War II vintage — and by all accounts it blends in smoothly with the gentile surroundings. So smoothly, that neither interviews with half a dozen long-time Jewish residents nor recent demographic studies by the Los Angeles Jewish Federation-Council yielded any firm figures. The best educated estimates are that between 4,000 to 5,000 Jews are among the 32,000 residents of Ronald Reagan's hometown.

The most visible centre of Jewish life is Kehillath Israel, a Reconstructionist synagogue founded 28 years ago. It is made up of some 300 families and its members tend to be professional in their middle-40's, active, intelligent and considerably more liberal than the Pacific Palisades norm.

The oddity of having the only Reconstructionst congregation in Los Angeles in one of the city's most conservative neighbourhoods was cited by its rabbi, Abner Bergman, as another example of a certain exclusivity and separateness that marks the Palisadian character.

Rabbi Bergman confirms the harmonious relations and goodwill between Jews and Christians in the coastal enclave, but notes a fairly pervasive ignorance and indifference to Jewish customs and sensitivities among the town's gentile leadership.

Illustrating both aspects was the reception organized by the local Committee to Honour the Incoming Resident President (CHIRP) to bid farewell to the famous hometown boy before his departure for Washington.

Invitations for the festive occasion were sent to leading residents of all faiths. The date chosen was a Friday evening and the venue was the Jonathan Club, one of the few remaining private clubs in Los Angeles that excludes Jews and blacks from membership.

Protests by the rabbi and members of the synagogue, pointing out the inappropriateness of both the date and location, were initially met with considerable puzzlement and the frosty reaction that it was too late to switch the plans.

Encouraged, however, by strong backing from local Christian clergymen, the Jewish protesters hustled around and finally came up with a more suitable location for a Sunday afternoon reception.

Traditional harmony was restored when, after approval of the change by Reagan and the organizers, the committee sent out a new set of invitations. The party was a smashing success.

SIGN OF THE TIMES: An advertisement in the San Francisco Jewish Bulletin announces that Dr. Chaim (Howard) Topol, optometrist formerly of Hadassah Hospital and Sha'are Zedek Hospital, Jerusalem, is now pleased to receive patients at his office in San Francisco.

Chaim Topol (no relation to the actor) further announces that he will converse with his patients in either Hebrew, Yiddish or English.

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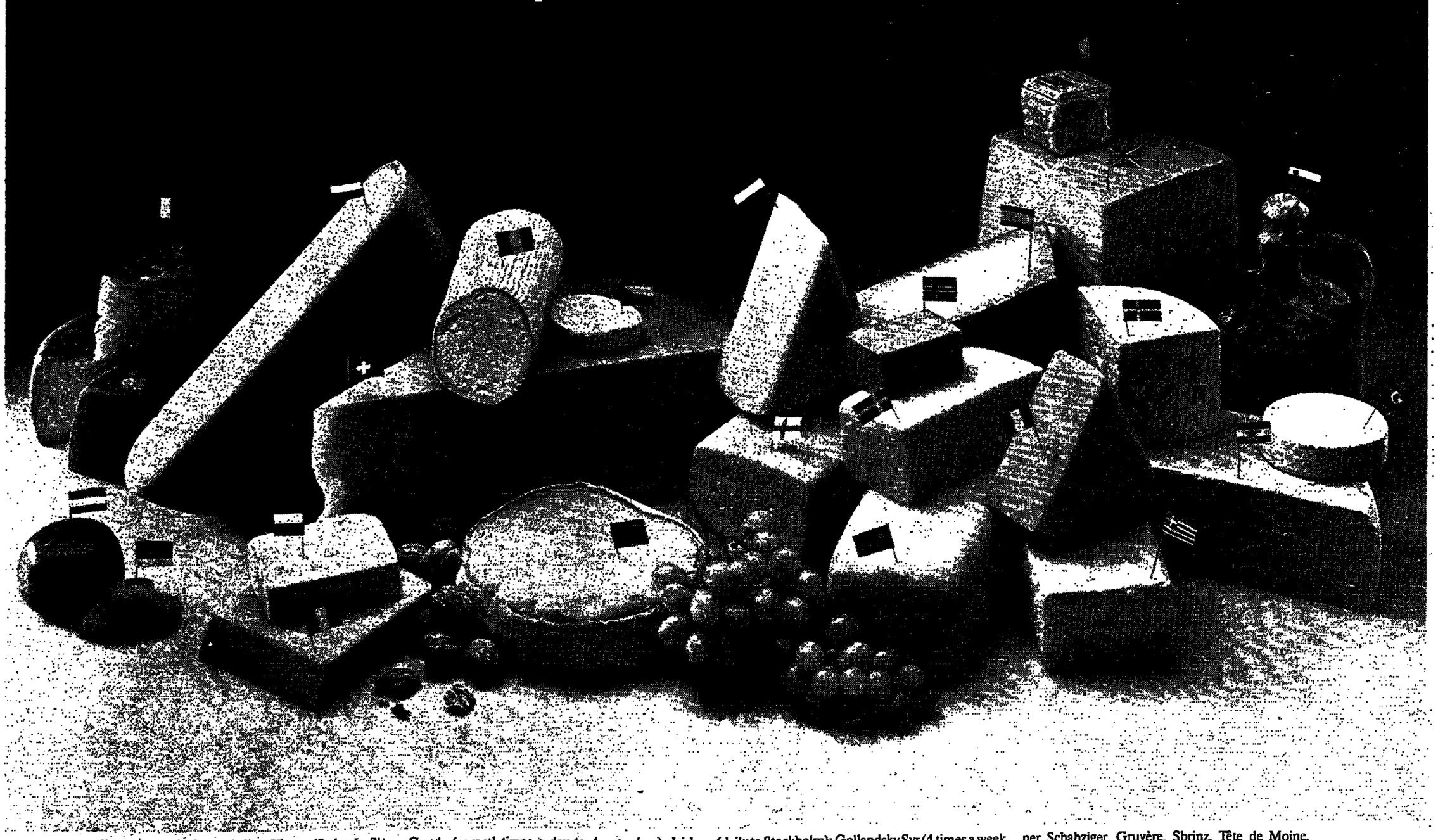

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swissair 1931 1981

Chance to show their talents

DANCE
Dora Sowden

Virginia Matthews and Karen Attix in a scene from Sounding.

SIX ISRAELI choreographers are getting a chance to try out their talents. The new Israeli director of the Batsheva Dance Company, Moshe Romano, is having the company perform their works at the Nahmani Theatre in Tel Aviv on April 15 and 16.

"We must encourage new talent," says Romano. "If their works are good, we may include them in the company repertoire. If we find one or two with a real gift, that will be worthwhile."

The six who have been chosen for this first "workshop" are Lea Avraham, Paul Bloom, Ivan Vaslev, Ohad Naharin, Joan Klein and Alma Frankfurt.

"If we can get more sponsorship we shall give others a chance, too," says Romano. "I think choreographers with talent should not only be given a chance here, but be helped to go abroad to see what is being done."

TIMI KEDAR, graduate of the Kabuki Dance Theatre, who has returned after three years in Japan where her husband was the Israel Ambassador, will make her first appearance at a special evening arranged at the Israel Museum for guests by invitation of the Japanese Embassy. She will provide the end of the programme on April 2, performing Japanese traditional dance and her own choreography set to *Noh* poetry.

THE FIRST International French Dance Competition, open to all nationalities will take place in Arcachon, a seaside resort on the Atlantic coast, from April 9 to 21. The notice from the French Embassy in Tel Aviv to *The Jerusalem Post* bears a March 17 postmark.

This doesn't leave much time for any dancers in Israel to meet the requirements. Boys and girls aged 14 to 21 "amateur or professional," are eligible for the event, which has the blessings of the cities of Paris, Lyon, Toulouse, Strasbourg, Lille, Grenoble, Nancy, Vichy and Bordeaux, and support also from various organizations, headed by the Arcachon Dance Academy.

The "official statement" from the embassy says that the "marvellous jury" will be composed of members of the Moscow Bolshoi, the London Royal Ballet, the New York Metropolitan and Paris Opera. The art committee includes Claude Bessy, Janina Charrat, Claire Motte and Gilbert Mayer, all of the Paris Opera. A dance course will be held for amateur or professional dancers from age eight.

The French Embassy, when asked why the above information was only given out less than a month before the event, lamely said that they weren't notified any earlier. Is this poor work on the part of their sources or a case of "include Israel out"?

TWO AMERICAN dancers and an expert, from Austria, on historical dance will come to Israel in April to give lectures and demonstrations and show films of their work for the Central Library for Music and Dance in Tel Aviv.

Karen Attix, one-time soloist of the Merce Cunningham Dance Company and now soloist on her own, will give a four day "workshop" at the Central Library from April 11 to 14. Two of the days will be devoted to Cunningham technique.

Joining her in the workshop will be Virginia Matthews, a leading member of the Margaret Jenkins Company in the U.S.

Professor Eva Compianu, a former dancer and an international authority on dance, will lecture in English and present her film *Dances of the Renaissance and the Baroque* on April 28 at the library. Prof. Compianu teaches at the High School for Music and Dance arts in Vienna and her visit is sponsored by the Austrian Embassy.

PARISIAN PERENNIAL

By PAUL WEBSTER/Paris

THAT MOST PERSISTENT of all French heroines, La Dame aux Camellias, is being commemorated in her 22nd film, whose opening in Paris coincides with a new wave of investigation into the life of the 19th century's most fascinating woman.

Since Marie Duplessis died at the age of 23 from consumption, portrayal of her life has been the aim of every great actress and opera star in play, film or Verdi's *La Traviata.*

The latest Lady of the Camellias, the beautiful French actress Isabelle Huppert, follows in the footsteps of Sarah Bernhardt, Greta Garbo and Maria Callas.

There is still an insatiable public curiosity about the real personality behind the legend. Although the literary creation by Alexandre Dumas *fils* — he named his heroine Marguerite Gautier — is easily explained, the full truth about the woman who seduced the whole of Paris and then brought the world to tears may never be known.

Competing with several other men, Dumas had a passionate 11-month affair with Marie Duplessis. Within four weeks of her death from consumption in 1847, he had written a play that turned her into a romantic heroine more popular than any other in French history.

The unexpected success made Dumas bitter and he died a woman hater, while the world carried on an unending debate on whether Marie Duplessis was a victim or predator, a woman without morals or the toy of a society that debased women.

THE COINCIDENCE of the new film, directed by Mauro Bolognini, French television documentary on La Dame's life, a novel by a leading French author, Bertrand Poirot-Delpech, and a new biography by Christiane Issartel, provides conflicting answers — perhaps the reason why the life of Marie Duplessis will always fascinate.

Issartel's book is an important attempt to separate fact from fiction. The daughter of a drunken father and a runaway mother, Marie Duplessis — or Alphonsine, as she was baptized — began her "career" as the plaything of an old man in her native Normandy at the age of 12.

By 16, she had moved to Paris, where she made a living as best she could. One snowy night when she was selling matches, the Duc de Guiche spotted her and launched her on a sensational seven years in which she scandalized and entranced the city.

Isabelle Huppert goes fu
any of her film or stage
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gathered.

As the best known of al
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Dumas's tragedy a thous
to packed houses.

"The theme is beau
timeless," she said. "All
to be done is to keep th
ticity of a legend of love,
and death."

(London Observer Servic

Marvellous event

MUSIC REVIEWS

ISRAEL PHILHARMONIC ORCHESTRA. Bartok Marathon with The Junior Philharmonic Orchestra, Shalom Ronly-Riklis, conducting; Bracha Eden and Alexander Tamir, duo-pianists; Gideon Steiner and Keneth Krohn, percussionists; Pnina Salzman, pianist; Paul Blassberger, cellist Israel Quartet; Mizmor Ensemble; Bibiana Goldenthal, soprano; Ruth Meme, pianist; Richard Lesser, clarinetist; Lazar Shuster, violinist; Emanuel Krassovsky, pianist; Boris Berman, pianist; Tel Aviv Quartet; Israel Philharmonic Orchestra, Christoph Eshenbach, conducting with Boris Berman, pianist. (Mann Auditorium, Tel Aviv, March 25).

THE IPO must be heartily praised for organizing this marvellous event and particularly for having Boris Berman co-ordinate it. Berman's original thinking and capability to get a specific message across through his progamme have become indispensable assets of our musical life. This time, marking the centenary of Bartok's birth Berman's message was not Bartok, the composer-researcher, but the composer's musical *weltanschauung*, Bartok's universality building on his native folk music. Two things, besides the excellence of the programme, made the marathon a splendid event, the unusually high level of performance and the inclusion of other composers, contemporaries of Bartok, whose music gave the perspective of Bartok in his time.

Bartok's relentless search for musical truth and unspoiled ethnic sources took him to North Africa, where he became acquainted with Oriental music. Thus it was a healthy idea of Berman to include the Mizmor Ensemble, a group of Moroccan musicians directed by Avraham Amzallag, which presented an impressive choice of *Piyutim* (religious poetry) and instrumental pieces.

The marathon began at 5 p.m. and went on till midnight. I came just in time for the Mizmor performance at 7.30 and stayed till the end. Naturally not all of the participants or performances can be reviewed here, though most merited mention.

For Bibiana Goldenthal, Bartok's folksongs were just the right material for her voice and personality. "Contrasts," with Lesser, Shusster and Krassovsky, was a real feast. An unforgettable highlight was Berman's short solo recital (Debussy, Bartok, Schoenberg). So was *Night Music* from *Out of Doors*. The Tel Aviv Quartet provided a no less striking performance of Bartok's last (no.6) deeply moving, string quartet.

The final part of the marathon, a symphony concert, featured the *Two Portraits*, Op.5 with Berman as the authoritative soloist in the first piano concerto, and the Concerto for Orchestra. Conductor Eschenbach, gave the concerto a rousing performance. *BENJAMIN BAR-AM*

20TH CENTURY TRENDS IN ISRAEL, AMERICA and ENGLAND, Nancy Uscher, viola; Yoav Lifshitz, percussion; Mira Zakai, alto; Irit Rub-Steiner, piano (Israel Museum, March 28). Armand Russell: Sonata for Piano and Percussion; Priaulx Rainier: Cycle for Declamation for Solo Voice (Israeli premiere); Vincent Persichetti: Reflections on a Poem by Wallace Stevens for Viola and Piano (Israeli premiere); Paul Ben-Haim: Sonatina, Op. 38, for Piano; William Kraft: French Suite for Percussion solo; Edmund Rubbra: Two Sonnets, Op.87, by William Alabaster for Alto, Viola and Piano (Israeli premiere); Ralph Vaughan Williams: Suite for Viola and Piano, three excerpts; Odon Partos: Aggada for Viola, Percussion and Piano.

THE TITLE of this interesting and varied programme was ill-chosen, no doubt disappointing seekers of the avant garde. Lovers of well-crafted, accessible music, whatever the idiom, may have been frightened off. Unfortunate, for the concert was most pleasurable.

The opening work by American Armand Russell successfully solved the problem of balance between piano and percussion, and was a delight. Percussionist Yoav Lifshitz, impressive in all his appearances, was outstanding in this.

Alto Mira Zakai was in magnificent voice in Englishman Priaulx Rainier's *Cycle*, with text by John Donne. Though her English diction was unclear, the sense of the words, especially in *No Man is an Island*, was forcefully conveyed.

Pianist Irit Rub-Steiner, sympathetic partner in five of the eight works performed, shone in the Ben-Haim *Sonatina*. Technical difficulties were handled with aplomb, and the closing *molto vivo* was virtuosic.

Englishman Edmund Rubbra's *Two Sonnets* showed serious problems of balance, with the alto overwhelming the viola in this devotional piece. Rubbra is a fine symphonist — he already has written ten — and one would like to hear these more representative works.

Another English symphonist, considered by some to be the finest of the 20th century, is Ralph Vaughan Williams. Nancy Uscher's magnificent performance of excerpts from his *Suite for Viola and Piano* was obviously a labour of love and the highlight of the evening.

The concert closed with a satisfactory performance of Partos's *Aggada*, the single aggressively modern work of the evening.

JERUSALEM SYMPHONY ORCHESTRA, Noam Sheriff conducting with Shimon Mishori, violin; Noam Buchman, flute; Deborah Greitzer, bassoon; George-Luis Haas, oboe; Neal Bolter, horn (Jerusalem Theatre, March 26). Mozart: Overture to the Magic Flute; Paul Ben-Haim: Three Songs without Words for Violin and Orchestra; Franz Danzi: Sinfonia Concertante for Winds and Orchestra; Rimsky-Korsakov: Scheherezade, Symphonic Suite, op.35.

THE PROGRAMME had the air of a pop concert. Even the seldom-heard Ben-Haim and Danzi works were pleasant without being profound.

The opening Mozart overture was disappointing, a perfunctory performance, with a slack beginning and much imprecise playing. Paul Ben-Haim was well served by concertmaster Shimon Mishori's dedicated advocacy, though a larger, sweeter tone would have made for greater effect. The second of the Three Songs, *Ballad*, was lovely and played with intense feeling by Mishori. Unfortutely the third song,
Melody came close to H
kitsch. Conductor and
provided alert, sympatheti
paniment.

Danzi's dreary, overlon
Concertante (1785) mainl
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The concert conclu
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audience, including many
in light of the early starting
p.m., responded with a
and well-deserved ovatio
MOSHE SAP

CHANSONS, Claire Martin with wind instruments, and Philippe guitar. (Zavit Theatre, Haifa, Ma

ROUSSEAU, in his *Dic*
Music, charmingly def
chanson as "a sort of
lyric poem, to which an a
so that it can be sung o
occasions, as at table,
friends, or even when on
in order for a few momen
away boredom if one is ri
help one to bear misery
if one is poor."

French singer Claire, c
visit to Israel, attracte
audience in a recital or
the French Cultural Ce
music was a mixing of
jazz, an experimental s
colourful dissonant harm

Claire sang with a stron
clear voice. One felt e
temperament, joy and, n
sincerity in her present
could like it or not, but co
main indifferent or bore
well assisted by two of
four accompanists who
rangements of her songs
long programme reflecti
moods and material and
life, I was most touched b
tant du Reveil and *Les Pa*
l'hiver." *ESTHER*

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Coal delays will cost economy over $100m.

Comptroller berates Electric Corporation

By MEIR MERHAV
Post Economic Editor

...he already certain two-year ...y in operating the Hadera ...er station on coal instead of oil ... cost the economy at least ...m., according to the state com...ller's report on the Electric ...poration released yesterday.

...reality, the cost is likely to be ...ter, because steady coal supplies ...ar from assured even now, nor ...the physical facilities to unload ...l be ready.

...any factors contributed to the ...y and to the failure to assure ... supplies — among them being ...internal strife in the Electric ...poration's board of directors ...h, four months ago, led to the ...ing of the corporation's general ...ger, Yitzhak Tulipman, and a ... of accusations and counter-...usations traded between him ... board chairman David Shiff-...

...his customary cautious ...uage, the comptroller says that ...s impossible to state with cer-...y how much (of the inadequate ...rance of coal supplies from the ...ed States) is attributable to the ...ord on the management level."

... plain language this means that ...agement strife probably con-...ted substantially to the failure ...ign long-term supply contracts ...ime, particularly if account is ...n of the reasons for the lack of ...nony, as described by the com-...ller.

...he relationship between the ...ran professional management ...e Electric Corporation and the ...perienced board of directors ...ointed in early 1980 quickly ...ame characterized by mutual ...icion and distrust. What the ...ptroller does not say is that the ...ran management was — or was ...eived as being — identified ... the Labour Party, while the ...ly-appointed directors mostly ...ng to the Liberal Party.

...olitical antagonism therefore probably added to the suspicion with which the directors seem to have treated the professionals, and the impatience which the latter showed for the probing questions *of the former. The general manager*, Yitzhak Tulipman, himself non-political, an engineer and a professional manager, increasingly came to identify with the permanent professional staff.

Relations quickly became strained — and this occurred at a crucial time for the assurance of coal supplies. The political crisis in Poland, a major coal exporter whose supplies shrank drastically in the summer of 1980, had converted a buyer's market into a seller's market. Other developments operated in the same direction in the second half of 1980.

This background explains why the delays caused, at least in part, by the mutual suspicion in the board of directors, and the resulting unwillingness to delegate authority to the general manager — as well as an unclear division of responsibilities between him and the board chairman — may be responsible for much of the damage.

Some 30 out of the report's 203 pages are devoted to the Tulipman-Shiffman affair, with respect to which the comptroller exceeds even his customary restraint. Tulipman, in his testimony before the Knesset Economic Committee in November 1980, and in statements to the comptroller, had raised suspicions — which Tulipman was careful to describe as "doubts and misgivings" — of possible malpractices.

These referred to the suspicion that board member Avraham Unger had leaked confidential protocols containing information on a tender for the temporary unloading of coal to a shipping company which had participated in the tender, lost, and sued the Electric Corporation. Unger allegedly had commercial connections with that company which he did not disclose.

Other suspicions were connected with the signature, by board chairman Shiffman, of a memorandum of agreement with a Spanish firm for the long-term charter of a *coal ship and the setting up of an* Israeli-registered company to operate it. According to Tulipman, Shiffman neither informed the board in advance of his intended trip to Spain, nor reported on his return that he had signed a memorandum of agreement.

Finally, Tulipman suspected that Shiffman, together with other board members, was trying to push for the conclusion of a coal supply contract with the American Pittston company, although its price was higher than that of other bidders. What Tulipman perceived as circumstantial evidence led him to suspect irregular procedures.

The comptroller dismisses these allegations as unsubstantiated and cites Tulipman's own statement that he had no evidence to offer. The comptroller, however, says that "there is no proof, nor even the foundation necessary for a statement by the comptroller, that there is, *in legal terms,* (italics mine — M.M.) a suspicion of a criminal offence." He further on says that against the surmises raised by Tulipman "there are explanations (for the events) that, while not decisive, are also not unreasonable."

The comptroller therefore dismisses Tulipman's allegations as unfounded, and at the same time sees no substance in the accusations against him by members of the board that he had withheld information from the board.

The clash is explained largely as the result of the confrontation between an inexperienced board of directors and a veteran professional management, and a failure of human relations on all sides. The report refrains from ruling clearly on the blurred division of responsibility between the chairman and the general manager. Its statements on that issue boil down to saying that any arrangement between these two office-holders might work — if it would work.

The main part of the report, which reviews the Electric Corporation's operations mainly since 1975, depicts the running of the corporation as conservative, in parts even using antiquated methods — such as its inventory management — with the power-generating capacity always strained and an apparently inadequate awareness of the needs imposed by the energy crisis.

Thus, although the corporation has a computerized system of inventory management, it often ignores the requirements of orders for supplies coming from the computer programme and uses what seem to be pragmatic criteria. The result is that orders for new supplies are often much larger than those coming from the computer programme.

The report censures the corporation for its faulty practices in ordering and paying for the supply of transformers and other equipment produced by a single domestic supplier with whom it is tied (the Elco company). The report shows that the supplier has been consistently behind schedule with deliveries, and that the contracts with him contain escalator clauses, but that the advances paid him — which may reach 75 per cent of the cost before delivery — are not deducted from the outstanding amount for linkage purposes.

Other areas in which the corporation is lax are the generous provision of company vehicles, the payment of overtime, as well as the notorious cheap (formerly free) supply of electric power to its workers and pensioners. Data cited by the comptroller show that while 30 per cent of the corporation's employees do not use more than 400 kilowatt/hours of power a month, and another 30 per cent use between 400 and 600 kwh., some 34 per cent use between 600 and 1,000 kwh. a month. Four employees manage to consume more than 2,500 kwh. a month. The subsidized electric power cost the corporation some IS9.1m. in 1979/80.

EC rivals at loggerheads over report

By YITZHAK OKED
Jerusalem Post Reporter

...AVIV. — The state comp...ler's report on the operations ...he Electric Corporation has ...wed the conflict between for-... managing director, Yitzhak ...man, and the chairman of the ...d of directors, David Shiffman.

...th yesterday claimed that the ...ptroller's report proved they ... right. At a press conference ... yesterday, Shiffman claimed ...according to the comptroller's ...rt, Tulipman's accusations ...ist the board of directors are ...ess. Tulipman accused board ...tors that they had leaked inside ...mation on coal handling and ...nent of coal for the Hadera ...er plant to companies that were ...ested in participating in the ...er for this job.

...lipman, who resigned from his ... last December, told *The* ...*alem Post* yesterday that he un...ands just the opposite from ...ing the report. He claims that ... comptroller states he is not ...whelmingly convinced about ...ssue or the answers he received ... the directors and does not rule ... further investigations. Accor... to Tulipman this indicates that ... comptroller is inviting in...gators to probe the matter further.

Tulipman also says that the comptroller makes some serious statements about the activities of the chairman concerning his negotiations with Spanish companies. He allegedly engaged in these negotiations without receiving the approval of the board, did not report in time concerning these negotiations and was not able to explain why they did not succeed.

At the press conference Shiffman said he gave all the directors a report in writing, which was why he did not see any need to hold further discussions on this subject.

Tulipman told *The Post* that if the corporation's directors are happy with this report, then this just proves how they see their work, standards and morals. He also voiced his opinion that their satisfaction is based on the fact that they were expecting a much worse report, since they know the whole truth. Tulipman is sure that if a "responsible authority" investigates the case, the happy officials of today will not be so happy.

Shiffman explained at the press conference why he was so pleased with this report. "I admit that the report includes some unfavourable points. But that is the job of the comptroller...I think this is a good report that we can be proud of."

In Jerusalem, the chairmen of the Knesset Economic and State Control Committees announced that they intend to convene a meeting to discuss the comptroller's report on the corporation. MKs Gad Ya'acobi and Avraham Katz-Oz said yesterday that many of the comptroller's findings required the continued examination of "another authorized institution."

Ya'acobi and Katz-Oz also said that the report leaves serious doubts about the manner in which Shiffman handled the Spanish negotiations.

Railway fares up

Jerusalem Post Reporter

HAIFA. — Railway fares went up by an average of 12 per cent yesterday, Railways spokesman David Guy announced yesterday.

The Haifa-Tel Aviv trip now costs IS17, Haifa-Jerusalem IS25, and Haifa-Nahariya IS5.5. Reserved seating still costs IS2 extra, Guy said.

Guy pointed out that the fares are still cheaper than travelling by bus. Inter-city bus fares also rose by 12 per cent earlier this month. The Tel Aviv-Haifa trip by bus now costs IS21.

Cabinet balks at big broadcasting budget

By ASHER WALLFISH
Jerusalem Post Reporter

The Cabinet yesterday approved a budget of one month only for the Broadcasting Authority, instead of for the entire year 1981-82.

It took this severe step because it rejected the annual budget proposed by the Broadcasting Authority itself as being excessively large.

The authority sought an annual budget of IS702m. for 1981-82, but the Treasury officials who oversee the authority's finances said that IS690m. was enough, the Cabinet was told.

Finance Minister Yoram Aridor told his colleagues that he would not accept a budget of IS702m., because it would represent an expansion of operations in real terms. In a year when every ministry including the Defence Ministry was taking a cut in real terms, Aridor said, the Broadcasting Authority had no right to insist on an expansion.

Authority officials, invited to the Cabinet, explained their demand for an increase on the grounds that the gradual changeover to colour transmissions required a large investment in equipment, while the coverage of the June 30 Knesset election required an extra outlay in regular operations on reporters and camera teams.

The Cabinet fixed the budget for April 1981 as one twelfth of the 1980-81 budget in real terms. It called on the Treasury and the Broadcasting Authority to negotiate an acceptable budget for the whole year, before the end of April, after which the new authority management committee, soon to be installed, would present the final proposal to the Cabinet for approval. After that the Knesset Finance Committee will also have to approve the annual budget.

The Cabinet also recommended the names of the 31 members of the new Broadcasting Authority plenum, for approval by President Yitzhak Navon. The 31 members will be: Yeshayahu Avrech, David Admon, Shlomo Allon, Nissim Almog, Daniel Bloch, Yosef Ben Shlomi, Gavriel Ben Simhon, Zvi Bernstein, Zvi Zinder, Aryeh Goldstein, Aharon Dotan, Shalom Danino, Levi Yitzhak Hayerushalmi, Penina Herzog Yitzhak Welber, Yehoshua Tan-Pai, Natna Yehonatan, Micha Yinon, Reuven Yaron, Ahuva Meron, Dan Meridor, Khanho Nwawaf, Daniel Nahmani, Yaacov Aknin, Aharon Papo, Uri Porat, Jamal Kassem, Hans Klinghofer, Yaacov Shweika, Meir Shitrit and Shlomo Tadmor.

The management committee, responsible for day to day affairs in the authority is expected to be chaired once again by Reuven Yaron, who will be named authority chairman. Another five members of the previous plenum are expected to sit on the committee: Almog, Bloch, Papo, Yinon and Meron. The seventh member of the management committee is expected to be a new member, Shitrit or Aknin.

Agriculture Minister Ariel Sharon was the only cabinet member to object to the list of 31 names, on the grounds that he was not consulted beforehand. Although Sharon did not say so, he is understood to have been against the proposal of Yaacov Aknin, former head of the Israel Lands Administration, who was fired by Sharon last year after a storm of controversy.

During the discussion on the budget issue, Industry Minister Gideon Patt suggested that Israel Television be allowed to cover its budget by advertising. Authority director-general Yosef Lapid said the authority would be only too pleased if the government permitted commercials.

Energy Minister Yitzhak Moda'i suggested that the authority save money by dispensing with television coverage of the election. The money saved should be spent on the Med-Dead canal, Moda'i said, which Israel TV did not bother to cover during its inaugural ceremony.

Sharon said that Israel TV wasted huge sums on "ridiculous" programmes like the recent Purim programme, which would have been better not screened.

Health Minister Eliezer Shostak said it was a pity that Moked was not broadcast in colour, since that would have made it possible to show last week how Labour Party leader Shimon Peres "changed colour" while he spoke.

Court battle over tombstone text

TEL AVIV (Itim). — A legal battle is under way between a man and his in-laws concerning the inscription on the tombstone over the grave of his deceased wife and daughter. The pair, Sandra and Tali Haddad, were killed when their car was booby-trapped a year ago.

The inscription fixed upon by Sandra's parents was amended by her husband, David. The Tel Aviv District Court ruled at the end of last week that the original text was not to be changed until the court makes its final decision.

At the time of the tragedy, the Haddad couple were seeking a divorce and the husband was suspected of the crime. He claimed that he had been the intended victim and was cleared of suspicion.

The tombstone inscription prepared by Sandra's parents stated that the mother and daughter "had been brutally murdered in their car." No mention was made of the husband's name. When his in-laws refused his request to make a change, David Haddad erased the words "had been brutally murdered in their car," and added his name and that of other members of his family to the mourners mentioned on the stone.

The dead woman's mother, Anne Rosenstein, of South Africa, petitioned the court to have the original inscription used. The husband stated in reply that he had made only minor changes and that "it is my wish, as Tali's father, that my name appear on the tombstone." He added that he did not intend to offend the deceased woman or her parents.

Dayan to be candidate

MADRID (AP). — Former foreign minister Moshe Dayan said he will be a candidate in the next Knesset elections in Israel, in an interview published yesterday in the independent newspaper *El Pais.*

Dayan, who is visiting several Spanish cities for the first time as guest of the Jewish community in Spain, said he will officially announce his candidacy when he returns to Israel on Friday.

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Koor to invest $100m. in expansion this year

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — Koor enterprises will increase their investment in industrial expansion by 25 per cent in the current year — at a time when investment in all other industrial sectors is dropping by about 20 per cent, general manager Naftali Blumenthal said here recently in outlining the concern's development plans.

Koor plans to invest $100m. this year in new projects or expanding existing ones. This compares with the expenditure of $80m. last year.

Blumenthal noted that "Koor's move is dictated by the national need to provide adequate living standards for its workers, after first and foremost providing all of them with work, especially those in development areas." He added that he knew this policy ran counter to the general trend of economic development, which may lead to stagnation.

Some 80 per cent of all investment in 1981 will be in development areas, where the rate of unemployment is highest. At present, 40 per cent of all Koor industrial employees work in development areas, compared to the national average of 25 per cent of industrial workers.

The emphasis will be placed on using investments to step-up the export drive, he said.

Of the $100m., some $30m. will be used to build new installations at the Ramat Hovav industrial area, near Beersheba, and on the transfer of many of the present facilities from Beersheba proper.

About $42m. is earmarked for setting up a Tadiran plant in Afula. In the first stage, the factory, which will employ 1,000 persons when in full operation, will make airconditioners and refrigerators. At a later stage the plant will start making sophisticated electronic items.

Clal Trade reports IS29.5m. profit

Jerusalem Post Reporter

TEL AVIV. — The consolidated balance sheet of the Clal Trade group increased in 1980 by 19 per cent in real terms (178 per cent in inflationary terms), to stand at IS626.m., the group announces.

Net profits rose by 47 per cent in real terms (239 per cent in inflationary terms), to stand at IS29.5m. (compared to IS8.7m. at the end of 1979).

The turnover grew by 20 per cent in real terms in 1980, to stand at IS410m., and the net profit per share increased by 28 per cent in real terms (195 per cent), to stand at IS1.89 for an ordinary IS1 share, compared to a net profit per share of IS0.64 in 1979. Fully diluted, the growth was from IS0.60 in 1979. to 1.61 in 1980.

Capital and reserves stood at IS51.3m. at the end of 1980, compared to IS23.6m. at the end of 1979.

Diversification saves Swissair from losses

By JOSHUA BRILLIANT

TEL AVIV. — Swissair has decided to develop its business enterprises on the ground, such as hotels and travel agencies, to offset the losses incurred by flying planes.

The balance sheet for 1980, to be presented to the board of directors on April 24, shows that the airline suffered an operational loss of SFr.57m. (about IS262m.). Swissair ended up in the black, however, with a net profit of SFr.44m. (about IS202m.), because income from its ground-services more than covered the losses in the air, Alex Ackermann, the company's local manager told reporters here.

He indicated that Swissair will not do much to cut its operational losses and expects to make a profit again from its airline services only in 1983.

Ackerman said Swissair's revenue increased last year partly because of the 4.7 per cent rise in payload, as the airline's 50 planes carried 695 million passengers and 192,000 tons of cargo and mail. However, costs went up too, and the fuel bills, which were 9 per cent of expenses in 1975, accounted for 19 per cent last year. They are expected to be 21 per cent of outlays this year.

Ackermann acknowledged there was a great temptation to cut expenses, for example by installing more seats in planes. (Swissair would then be able to operate fewer flights, but the company's reputation as one of the world's best airlines might be harmed, observers noted.) Accordingly, Ackermann indicated that the airline would not reduce its standards. "Passengers would be sure to notice any decline," he said.

Nor does Swissair intend to reduce the frequency of its flights. Even the number of its flights to Israel will not change, although there was a 3 per cent drop in traffic on them, he said.

To offset its losses, Swissair will develop its training centre, which serves several other airlines, its affiliated hotels, travel agencies and catering services. The line even owns taxis and a laundry business, and these sidelines together account for 17 per cent of its business, Ackermann said.

Swissair's programme for Israeli tourists offers villas, hotels and relatively low-cost apartments. A week's rent for a studio apartment for two in St. Moritz, for example, costs SFr.270 (IS1,200) during the peak season between June 20 and August 22.

Unorganized workers will also get 5% raise

Wage earners who do not belong to the Histadrut will also be entitled to get next month the same five per cent advance payment on the coming labour contract as organized workers, the cabinet decided on Sunday.

The cabinet did so, by approving a bill for immediate tabling in the Knesset, containing what is called "an extension order." This is because it extends to unorganized workers the benefits of the collective wage agreements, negotiated on behalf of organized workers. The bill was drafted by Social Affairs Minister Israel Katz.

Patt sees Egypt public sector opening up soon

Jerusalem Post Reporter

Industry, Trade and Tourism Minister Gideon Patt indicated yesterday in the cabinet that the lucrative public sector of the Egyptian economy may open up to Israel after the expected ratification today of a trade treaty between Israel and Egypt.

Patt was briefing the cabinet on his visit to Egypt, where he was guest of honour at the Israeli pavilion at the Cairo Trade Fair.

According to Patt, Egyptian officials told him that the ratification of the trade treaty, which has run into stiff opposition in the parliament, was due today. *The Jerusalem Post* reported earlier this month that a successful showing by Israel at the Cairo fair would pave the way for ratification of the treaty.

Patt noted that while some $25m. of business has already been done with the Egyptian private sector, and another estimated $15.m. in contracts has been signed during the past weeks at the Cairo Fair, a public sector opened up for Israeli trade would greatly enhance the pace of the "business side of normalization."

Patt told the ministers he was greeted warmly in Egypt, and that when he held a reception some 650 people attended, including the economic editors of newspapers and other journals that had boycotted his press conference.

According to Patt, an Egyptian government delegation is due at the end of April to study ways of bringing groups of Egyptian businessmen to Israel.

Prof. Barkai to head Bank of Israel advisory committee

The Cabinet yesterday appointed Prof. Haim Barkai as the chairman of the Bank of Israel advisory committee and also of its advisory council. Dr. Yohanan Bader was appointed his deputy in both posts. The other members of the advisory committee are Eliahu Izakson, Yitzhak Mittelman, Haim Basok, Giora Gazit, Ernst Japhet, Aharon Meir and Daniel Recanati. The council, a larger body, contains 16 members in all.

Number of Israeli job-seekers grow while more area Arabs find work

Jerusalem Post Reporter

Baruch Haklai, director of the employment service, said on Friday that while the employment of workers from the administered territories is rising slowly, there is a sharp increase in the unemployment of Israelis. He was speaking at a meeting of the advisory council of the service.

Job-seekers now number 46,000, compared with 25,000 a year ago. Those who are unemployed for six days and more number 16,000, compared with a mere 1,000 a year ago. The demand for workers has at the same time fallen from 27,000 a year ago to 17,000 now.

While the population of development towns constitutes only 1.5 per cent of the national [...] counts for 35 per cent [...] employment, Haklai sai[d] [...] third of the 16,000 who [...] unemployed for more th[an] [...] are young men and wom[en] [...] released from army serv[ice].

Haklai came out for [...] the campaign to persua[de] [...] to accept whatever work [...] and to offer inducemen[ts] [...] them undergo re-trainin[g].

Some 4,000 of the [...] have academic traini[ng].

David Marantz, of th[e] [...] said that low wages de[ter] [...] employed from taking a[...] and expressed his conce[rn] [...] shrinking job oppor[tunities] [...] development towns.

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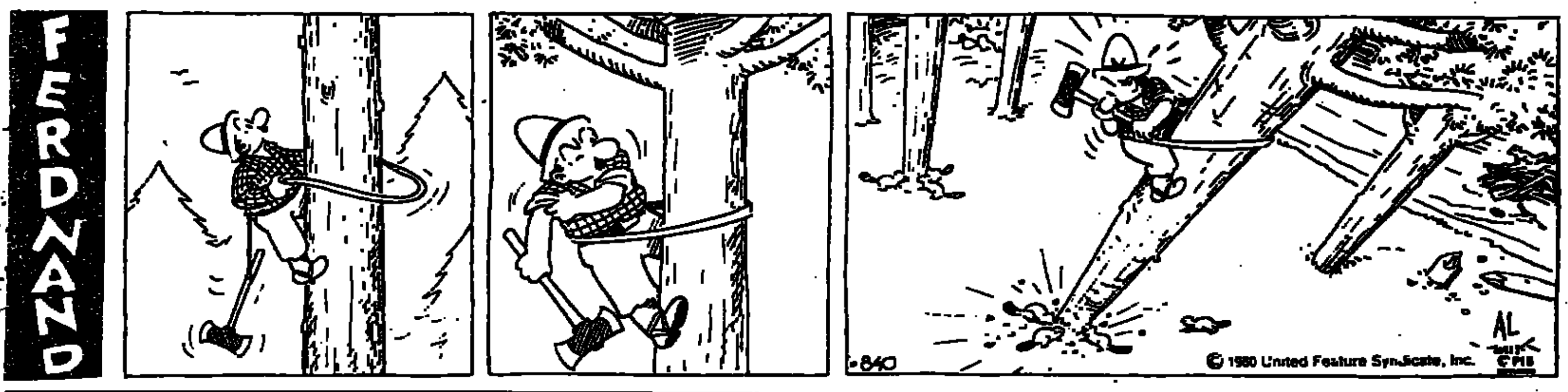
Tal Arayo



NOTICE

According to clause No. 29 of the Civil Procedure By-laws, 1963, I hereby announce that Gad-Li Investment Co. Ltd. (hereinafter referred to as "the company") has forwarded an action in Civil File No. 844/80 in the Magistrates' Court of Ramat Gan against the tenants and/or purchasers of apartments in three dwelling buildings in Jabotinsky St., Bialik St., Ramat Gan parcel No. 721 block on 6205 (hereinafter referred to as "the purchasers").

The company has requested that Mr. Reuven Yifrah of 83 Bialik St., Ramat Gan, shall be appointed as representative of the purchasers in the above-mentioned action.

The purchasers, through their representative, Mr. Reuven Yifrah, have forwarded an action in Civil File No. 349/80 in the Magistrates' Court of Ramat Gan, against the company. Every tenant or purchaser who is interested in joining the abovementioned actions or one of them, shall be entitled to appeal to the court within 21 days from the publication of this notice.

Y. Boyer, Advocate
Attorney for Gad-Li Investment Co. Ltd.

WIZO SHOPS
Visit our newest shop
94 Ben Yehuda St., Tel Aviv
Handwoven and embroidered clothes for adults and children; jewelry, ritual articles, art gallery.
Open 8.30 a.m. to 7.00 p.m.

HEBREW
all levels
Easy, relaxing and efficient.
T.T.I., P.O.B. 9032, Jerusalem.
Other languages available.

10th International Book Fair
April 6-9, 1981

The public is invited to visit the 10th International Bo[ok Fair] which will take place in Binyanei Ha'uma, Jerusalem. The fair will be open from Monday to Thursday, April 6-9 from 3-11 p.m.

The World of the Child at the International Book Fair

will be open from Monday to Thursday (April 6-9, 198[1]) after 4 p.m. The World of the Child will conduct cons[...] activities for children together with writers and actors.

Entrance fee: Adults — IS 15
Children, soldiers in uniform, students and or[ganized] groups — IS 8

For particulars please phone the fair offices, Tel. 02-2[...] 02-531273.

Ministry of Industry, Trade and Tourism
PUBLIC ANNOUNCEMENT

I hereby announce that the licence of Mor Tours Ltd., 43 B[en] Yehuda, Tel Aviv to operate a travel agency, has been revok[ed] [...] the said company's failure to comply with the required con[ditions of] their travel agency licence.

The Competent Authority for Travel Agencies
Ministry of Industry, Trade and Tourism
Tourism Administration

ESRA . English Speaking Residents Association of Herzliya and Kfar Shmaryahu present

AN EVENING WITH THE JERUSALEM POST

with Philip Gillon, Martha Meisels, Alex Berlyne

Thursday, April 2 at 8.30 p.m.
Beit Yad Lebanim, Wolfson St., Herzliya

Admission IS 3.50 (incl. refreshments) — Ope[n]

The Jerusalem Post & Carta Publications invite readers, students and friends of

WALTER FRANK[...]

to a reception to wish him "Mazal Tov" on the occasion of the publication of his new

ISRAEL GARDENIN[G] ENCYCLOPEDIA

Thursday April 2 at 8.30 p.m.
Plaza Hotel, King George St., Jerusalem.

WHAT'S ON

Notices in this feature are charged at IS26.90 per line including VAT; insertion every day costs IS492.80 including VAT per month. Copy accepted at offices of The Jerusalem Post and all recognized advertising agents.

Jerusalem

MUSEUMS

Israel Museum. Exhibitions: Selected Objects from the Design Department. Dada and Surrealism and their Followers (from the Museum collection) Plantin of Antwerp. Ruth Zarfati: Illustrations of Children's Books and Sculptures. Permanent Collections of Judaica, Art and Archeology. Faith-Dorian and Martin Wright Gallery of Oceanic and American Indian Art. Visiting Artists — works of artists invited by the Museum to work in Jerusalem. Women of the '20s and '30s, photographs from the Museum's collection. Asian Art from the Museum's collection: Tsvi Shor Memorial Exhibit of artist's Eretz Israel landscapes; Anna Ticho Memorial Exhibit on first anniversary of artist's death. Hebrew Micrography: One Thousand Years of Art in Script.

Visiting Hours: 10-5. Tomorrow 4-10. Shrine of the Book 10-10. At 3.30: "Storm Boy," film.

Guided Tour in English at Israel Museum: Sun., Mon., Wed., Thur. 11 a.m. Tues. 4.30 p.m.

Shrine of the Book: Sun., Mon., Wed., Thur. 10 a.m.-5 p.m. Tues. 10 a.m.-10 p.m. Fri., Sat. 10 a.m.-2 p.m.

Rockefeller Museum Sun.-Thur. 10 a.m.-5 p.m. Fri., Sat. 10 a.m.-2 p.m.

CONDUCTED TOURS

HADASSAH — Guided tour of all installations ★ Hourly tours of Chagall Windows at Kiryat Hadassah. Nominal charge. ★ Hourly tours at Hadassah Mt. Scopus. ★ Information, reservations 02-416333, 02-426271.

Hebrew University:

1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9 and 28.

2. Mount Scopus tours 11.00 a.m. from the Bronfman Reception Centre, Sherman Building. Buses 9 and 28 to last stop. Further details Tel. 02-882819.

Emunah — World Rel. Zionist Women. 26 Ben Maimon. Visit our projects. Call 02-662468, 630620, 03-788942, 708440.

American Mizrachi Women. Free Morning Tours — 20 Balfour Street, Jerusalem, Tel. 663503.

MISCELLANEOUS

Plant a Tree with your Own Hands! For details and/or tour reservations, call Jewish National Fund. 02-635261, ext. 13.

Tel Aviv

MUSEUMS

Tel Aviv Museum. Exhibitions: Franz Kraus, Posters. Morris Lewis 1912-1962. American Painting, the '80s.

Hendler's Hendlers (drawings from the artist's private collection).

Visiting hours: Sun.-Thur. 10 a.m.-10 p.m. (collections 10 a.m.-5 p.m.). Fri. closed. Sat. 10 a.m.-2 p.m. (tickets to be bought in advance) and 7-11 p.m.

CONDUCTED TOURS

ORT Israel: For visits please contact: ORT Tel Aviv, Tel. 233231, 775131; ORT Jerusalem, Tel. 533141; ORT Netanya, Tel. 33744.

American Mizrachi Women. Free Morning Tours — Tel Aviv, Tel. 220187, 243106.

WIZO: To visit our projects call Tel Aviv, 232939; Jerusalem, 226060, Haifa, 89537.

PIONEER WOMEN-NA'AMAT — Morning Tours. Call for reservations: Tel Aviv 256096.

Haifa

What's On in Haifa, dial 04-640840.

Rehovot

The Weizmann Institute. Open to public from 8.00 a.m. to 3.30 p.m. Visitors invited to see audio-visual programme on Institute's research activities, shown regularly at 11.00 a.m. and 3.15 p.m. Friday 11.00 a.m. only.

Tours of the Weizmann House every half hour from 10.00 a.m. to 3.30 p.m., Sunday to Thursday. Nominal fee for admission to Weizmann House.

For Tours of the House please book: Tel. 054-83230, 054-83328.

GENERAL ASSISTANCE

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics). Hadassah E.K. (internal, surgery, orthopedics, E.N.T.). Misgav Ladach (obstetrics). Shaare Zedek (ophthalmology).

Tel Aviv: Rokah (pediatrics), Ichilov (internal, surgery). Netanya: Laniado (obstetrics, internal, pediatrics, gynecology).

Haifa: Carmel.

Misgav Ladach: Open line 4-6 p.m. every Monday answers to obstetrics, gynecological, sterility and family planning problems. Tel. 02-633356.

EMERGENCY PHARMACIES

Jerusalem: Jerusalem, 212 Yafo, 526215. Balsam, Salah Eddin, 272315. Shu'afat, Shu'afat Road, 810108. Kalbians, Herod's Gate, 282058.

Tel Aviv: Neve Sha'anan, 34 Neve Sha'anan, 332540. Kupat Holim Leumit, 4 Heftman, 268271.

Haifa: Rothschild Hospital, 671671.

FLIGHTS

24-HOUR FLIGHT INFORMATION SERVICE
Call 03-972484
(multi-line)
ARRIVALS ONLY
(TAPED MESSAGE)
03-295555 (20 lines)

FIRST AID

Magen David Adom first aid centres are open from 8 p.m. to 7 a.m. Emergency home calls by doctors at fixed rates. Sick Fund members should enquire about rebate.

Phone numbers: Jerusalem, Tel Aviv, Haifa — 101. Dan Region (Ramat Gan, Bnei Brak, Givatayim, Kiryat Ono) — 781111.

Ashdod 22222	Nazareth 54333
Ashkelon 23333	Netanya 23333
Bat Yam 885555	Petah Tikva 912333
Beersheba 78333	Rehovot 054-51333
Eilat 2333	Rishon LeZion 942333
Hadera 22333	Safed 30333
Holon 803133	Tiberias 20111
Nahariya 923333	

"Eran" — Mental Health First Aid. Tel. Jerusalem 669911, Tel Aviv 253311, Haifa 538-888, Beersheba 32111, Netanya 35316. Rape Crisis Centre (24 hours), for help call 03-441341, Tel Aviv, 04-88791 Haifa.

POLICE

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 40444.

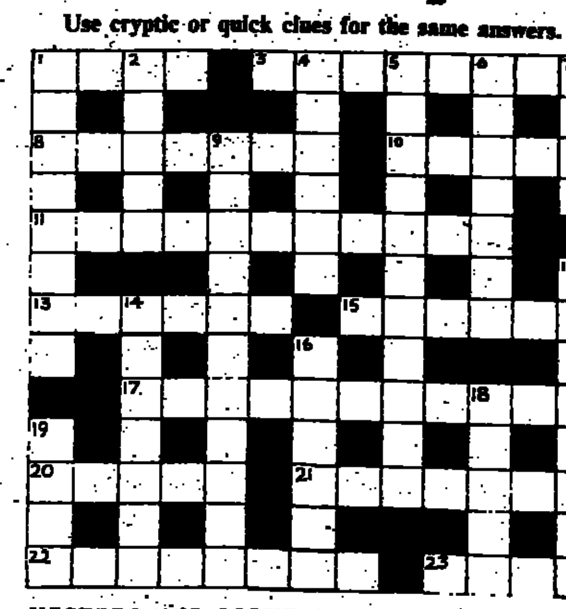
SUNSET-SUNRISE

Sunset 17.58; Sunrise tomorrow 05.33

GIVE SOLDIERS LIFTS

TWO-IN-ONE CROSSWO[RD]

Use cryptic or quick clues for the same answers.



CRYPTIC CLUES

ACROSS

1 Ailment that makes you unfriendly (4)
3 Worker's finished delivery (8)
8 Ambassadors get seal specially designed (7)
10 Shaggy hair can be a big surprise (5)
11 Walt's character makes you and me sick — and me very upset! (6, 5)
13 Headgear that covers round front of pate (3-3)
15 Group member, we hear, is a crawler (6)
17 Where theatre-goers watch costume on rounded figure? (5, 6)
20 Posts for East Europeans (5)
21 Men with a gut somehow make things bigger! (7)
22 Leader of spies caught unawares and tied in thongs (8)
23 Head of the staff is walked on (4)

DOWN

1 I'm upset at claim, the end of nasty disaster (8)
2 Make a record in charge with sound reasoning (5)
4 To take things for granted amuses in a strange way (6)
5 I'm in digs, quite untidy and disturbing (11)
6 Forceful six — then a duck, fast! (7)
7 Garden tool for a slope (4)
9 The pheasants are flying, perhaps, but the plan's failed! (3, 4, 2, 2)
12 Affronted — a[...] sent in a rus[...]
14 He goes in water, gettin[g] right (7)
16 Sort of car [...] legacy? (6)
18 It's obvious [...] in code (5)
19 Monkeys can [...] never-ending [...]

QUICK CL[UES]

ACROSS

1 Chilly (4)
3 To deliver (8)
8 Envoys (7)
10 Great surprise [...]
11 Disney ca[...] character (6, [5])
13 A topper (3-3)
15 Type of insec[t] [...]
17 Part of a [...] (5, 6)
20 Magnetic poin[...]
21 To increase [...]
22 Belted in the [...]
23 Walked on (4)

DOWN

1 Grievous disas[ter] [...]
2 Sound reasonin[g] [...]
4 To take for [...] (6)
5 Disturbing (11)
6 Very rough (7)
7 Garden tool (4)
9 The schem[e] failed (3, 4, 2, [2])
12 Felt affronted [...]
14 One who wa[...] the sea (7)
16 A landed prope[rty] [...]
18 Plain, distinct [...]
19 Mimics (4)

YESTERDAY'S SOLUTION — ACROSS: 3 Balmoral, 8 Boar; 9 Ghost train, 10 Fare, 11 Neat, 13 Ramps, 17 Aspire, 18 Barium, 19 Legal, 22 Stun, 24 Alps, 25 Guinea fowl, 26 Iron, 27 Talisman. DOWN: 1 Coral, 2 Argentina, 4 Asset, 5 Motor, 6 Realm, 7 Lonesome, 12 Axes, 14 Adrenalin, 15 Fanlight, 16 Abel, 20 Grill, 21 Leeds, 22 Sofia, 23 Spoof.

SOLUTIONS TO TODAY'S PUZZLE TOMORROW

هكذا من الأصل

هكذا من الأصل

Drop in exports of kibbutz industries

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — A "drastic fall" in exports by the kibbutz industries has been registered in the past few months. If the present trend continues throughout 1981, this will be the worst export year of these industries in the past seven years, the Association of Kibbutz Industries announces.

During the first quarter of 1980, exports of the plants increased 100 per cent over the same period in 1979. But since April 1980, signs of weakness in the export drive began to be felt. In the last quarter of 1980 exports did not grow at all, compared with the last quarter of 1979. Thus, the increase of exports in all of 1980 showed a growth of only 30 per cent, "which is lower than the average growth of all industrial exports," it was said. In 1980 exports totalled $212m.

During the first two months of this year, there was a drop of 15 per cent in exports, compared to the same period of 1980.

The association points out that if the current trend (the government's policy is indirectly blamed) continues, the "massive efforts of building up the kibbutz industries into a vital part of the economy will prove vain."

CAL pushes its claim for a licence as an independent air carrier

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV. — Merger talks between the CAL cargo airline and El Al broke down last week, clearing the way for CAL to receive an operators licence from the government.

CAL, founded several years ago by the farmers to fly their produce to Europe, has so far been restricted from turning into an independent cargo airline.

Last year the government decided that the cargo departments of El Al and CAL must merge into one company, which would then become a national cargo airline, while El Al would continue to fly only passengers.

The negotiations have been going on for nearly a year, but without any real progress. With the negotiations having broken down, the chairman of CAL, Arieh Nehamkin, who is also the secretary of the Histadrut-affiliated moshav movement, has turned to the government with the demand that his airline be allowed to operate like any other airline. This would include the right to buy its own airplanes and receive landing rights in more countries. Today CAL uses El Al planes, but is also able to operate only from Ben-Gurion Airport to Cologne, landing also in Amsterdam and at Heathrow in England when it carries agricultural produce. CAL also wants the right to operate all year around. Now it is only allowed to fly during the agricultural export season.

Bank Hapoalim launches Kochav fund

Jerusalem Post Reporter

TEL AVIV. — Bank Hapoalim yesterday published the prospectus for a new mutual fund, Kochav. The cumulative fund will invest at least 50 per cent of its resources in shares, option warrants and securities convertible into shares.

Kochav will be a closed-end fund. It is offering 20 million units of one shekel each, with the minimum certificate being 100 shekels nominal value.

Applications may be entered from April 5 to 6 in the afternoon. Certificates will be sold at the rate of 101 per cent.

After that date, certificates will be sold at the base price plus an additional one per cent, on condition that the fund manager will be permitted to issue new units instead of those units already redeemed.

New Bank Leumi fund promises higher yield

Jerusalem Post Reporter

TEL AVIV. — Bank Leumi is launching a new provident fund, called Sagi, on April 1, which is said to offer a better yield than most existing funds of the same type.

The three main advantages of the new fund are: deposits bear interest from the very day they are made, and not from the beginning of the next month, as is generally the case. Only those members who decide to take a life insurance policy will have the premiums deducted from their savings (at present, most funds deduct these premiums automatically from their earnings).

The provident fund will not grant any loans to its members. Such loans are generally given at low interest rates and thus decrease the fund's yield.

BORROWING. — East European borrowing from the West reached an estimated $67b. at the end of last year, with Poland accounting for almost one third, the UN reported recently.

Shares in cautious upward move

By JOSEPH MORGENSTERN

TEL AVIV. The share market began the week's activities yesterday with a moderate advance, which encompassed all areas of trading. Advisers at several banks here reported some hesitancy on the part of the public regarding further commitments in shares. It was probably this reluctance which resulted in turnovers totalling only IS74.6m. Last Thursday the turnover exceeded IS100m.

Index-linked bonds were either unchanged or showed small gains.

Commercial bank equities were mostly ahead by small margins. FIBI responded to a small demand and advanced by 4 per cent.

Binyan and Tefahot pref. were both gainers of more than 6 per cent in an upward moving mortgage bank group.

Leading a rising insurance stock sector were the Reinsurance 0.1 shares, which jumped by a full 10 per cent. Gains of 4-5 per cent were to be seen among other insurance issues.

HLB Real Estate 0.5 shares soared by a full 15 per cent, among land development and real estate stocks. Solel Boneh old shares stood at 9,500, after a 5 per cent rise. Bayside 0.5 turned in a 8.7 per cent move. Mehadrin chipped in with a 10 per cent rise. Caesarea was also higher.

Oil shares were mostly lower, as Naphtha lost 200 points for a 7.8 per cent loss.

Tel Aviv Stock Exchange

	Closing price	Volumes IL1,000	Change
Comm. Banks & Bankholding			
IDB prf	8600.0	3.4	+120.0
IDB r	1276.0	516.9	+3.0
IDB B r	1276.0	35.2	n.c.
IDB prf A	2209.0	.7	n.c.
IDB op 5	2125.0	1.6	n.c.
IDB op 6	1680.0	13.6	n.c.
IDB op 7	1670.0	14.1	n.c.
IDB op 8	1575.0	16.7	n.c.
IDB op 9	977.0	24.2	n.c.
Union r	dx747.0	90.8	+2.0
Union no div. 80	—	—	—
Union op 2	2960.0	.5	+10.0
Union op 3 r	1430.0	20.6	+24.0
Union op 4 r	600.0	7.3	n.c.
Union op 5	1045.0	18.4	+10.0
Union sc	673.0	3.9	+9.0
Union sc5 r	427.0	19.6	+2.0
Discount r	1720.0	14.4	n.c.
Discount A r	1720.0	25.5	n.c.
Discount A sc r	892.0	20.0	+1.0
Mizrahi r	806.0	357.8	+5.0
Mizrahi no div. 80	790.0	136.5	+6.0
Mizrahi b	800.0	54.9	n.c.
Mizrahi op 2 r	2985.0	1.5	n.c.
Mizrahi op 3	1234.0	13.4	—11.0
Mizrahi op 5	517.0	62.4	n.c.
Mizrahi sc 4 r	980.0	1.6	n.c.
Mizrahi sc 5 r	805.0	5.1	n.c.
Mizrahi sc 6 r	660.0	3.4	n.c.
Mizrahi sc 7 r	665.0	49.5	n.c.
Maritime 0.1 r	450.0	94.8	+19.0
Maritime 0.5 r	447.0	35.2	+9.0
Hapoalim prf b	1880.0	1.1	n.c.
Hapoalim r	1648.0	299.3	+5.0
Hapoalim 50% div	1639.0	72.3	+5.0
Hapoalim b	1648.0	55.0	+5.0
Hapoalim op 4 r	3970.0	1.9	n.c.
Hapoalim op 5 r	3290.0	13.3	+30.0
Hapoalim op 7 r	1871.0	20.1	—4.0
Hapoalim op 9 r	2810.0	22.4	+25.0
Hapoalim op 10	1410.0	27.1	n.c.
Hapoalim sc 5 r	1290.0	5.7	n.c.
Hapoalim sc 6 r	685.0	57.1	—1.0
General A	1185.0	117.4	+25.0
General op 6	1020.0	11.0	n.c.
General sc 4 r	730.0	21.6	n.c.
General sc 5 r	198.0	30.7	+7.0
Leumi	917.0	300.5	+4.0
Leumi dvd. 80	907.0	900.4	+2.0
Leumi op 3 r	3550.0	10.8	+10.0
Leumi op 4 r	1670.0	11.1	+5.0
Leumi op 5 r	1580.0	21.3	+10.0
Leumi sc 4 r	1765.0	9.0	+5.0
Leumi sc 7 r	1310.0	3.5	+10.0
Leumi sc 8 r	940.0	11.9	+5.0
Leumi sc 9 r	212.0	411.1	+1.0
Leumi op 10	720.0	26.4	+10.0
OHH r	1950.0	1.4	n.c.
OHH b	1960.0	.7	n.c.
Danot 1.0	3670.0	35.5	n.c.
Danot 5.0	297.0	206.4	+10.0
FIBI sc 1 r	1145.0	30.4	+20.0
FIBI r	d960.0	90.9	+38.0
Mortgage Banks			
Gen Mtge r	1070.0	3.9	+5.0
Gen Mtge b	1070.0	.1	+5.0
Gen Mtge op 114	3250.0	1.1	n.c.
Gen Mtge op 127	820.0	.2	n.c.
Gen Mtge 129	545.0	.7	+10.0
Gen Mtge db 116	480.0	1.8	+5.0
Carmel r	583.0	55.6	+36.0
Carmel b	506.0	b.o.	+28.0
Carmel op A	375.0	34.0	+40.0
Carmel db 10	c331.0	81.2	+21.0
Binyan r	473.0	4.2	+30.0
Binyan 50% div 80	350.0	41.3	+18.0
Dev & Mtge r	350.0	170.8	+12.0
Dev & Mtge b	350.0	11.6	+12.0
Dev & Mtge op 88	680.0	.7	n.c.
Dev & Mtge op 95	404.0	3.0	n.c.
Dev & Mtge op 96	268.0	.5	n.c.
Dev & Mtge op 98	285.0	.8	n.c.
Mishkan r	335.0	.1	n.c.
Mishkan ½ dvd 80	920.0	.1	n.c.
Mishkan b	935.0	.5	n.c.
Mishkan op 2	1370.0	.1	n.c.
Mishkan op 3	616.0	11.6	+20.0
Tefahot prf r	755.0	19.6	+45.0
Tefahot prf b	755.0	17.1	+33.0
Tefahot r	747.0	27.7	+30.0
Tefahot op 18	738.0	28.9	+20.0
Merav r	865.0	.8	—
Merav op	1680.0	.1	—
Financing Institutions			
Shilton r	118.0	113.2	+3.0
Shilton b	240.0	5.7	+6.0
Shilton op A r	152.0	.2	+1.0
Shilton op B	270.0	5.0	+5.0
Shilton op 5	111.0	45.7	+4.0
Shilton sc 1	c153.0	—	+5.0
Shilton sc 2	165.0	1.2	+5.0
Otz. Lataasiya r	895.0	64.0	+10.0
Otz. Lataasiya b	895.0	3.8	+10.0
Ampal r	—	—	—
Agriculture prf A	1120.0	4.0	+6.0
Ind Dev prf r	515.0	2.2	+10.0
Clal Lease 0.1 r	1830.0	47.9	+12.0
Clal Lease 0.5 r	1300.0	48.5	+7.0
Clal Lease op	241.0	19.5	+8.0
Insurance			
Aryeh r	694.0	82.4	+54.0
Aryeh op r	2770.0	.1	n.c.
Aryeh sc	330.0	22.2	+10.0
Ararat 0.1 r	1714.0	1.9	n.c.
Ararat 0.5 r	581.0	20.4	+25.0
Reinsurance 0.1 r	1078.0	58.2	+98.0
Reinsurance 0.5 r	362.0	61.3	+12.0
Hassneh r	380.0	106.1	+40.0
Hassneh nd 80	562.0	47.5	+30.0
Hassneh b	586.0	45.1	+46.0
Hassneh op	578.0	4.4	+30.0
Hassneh op 2	385.0	41.3	+15.0
Phoenix 0.1 r	570.0	17.6	n.c.
Phoenix 0.5 r	548.0	3.0	+18.0
Yardenia 0.1 r	1155.0	32.1	+20.0
Yardenia 0.5 r	340.0	14.2	+15.0
Sahar r	694.0	26.8	+28.0
Sahar b	630.0	5.0	n.c.
Sahar op	694.0	6.0	+23.0
Sahar sc	312.0	13.4	+20.0
Sahar obl.	160.0	34.6	+9.0
Securitas r	660.0	35.0	+40.0
Securitas op	480.0	52.2	+40.0
Zur r	502.0	15.7	+15.0
Zur b	520.0	12.6	21.0
Comm. Services & Utilities			
Delek r	635.0	138.8	+30.0
Delek b	645.0	8.2	+25.0
Delek db 2	1130.0	.2	n.c.
Cold Store 0.1 r	—	—	—
Cold Store 1	4360.0	.2	n.c.
Cold Store 1.0 r	4201.0	—	+1.0
Cold Store db 2 r	3020.0	—	+30.0
Isr Electric r	651.0	b.o.	+31.0
Lighterage 0.1 r	6080.0	.1	+300.0
Lighterage 0.5 r	4157.0	4.0	+378.0
Lighterage op 2	7357.0	1.1	+567.0
Lighterage db 1	2509.0	4.2	+150.0
Rapac 0.1 r	548.0	b.o.	+26.0
Rapac 0.5 r	420.0	b.o.	+20.0
Supersol A	630.0	40.5	+6.0
Supersol B	575.0	38.8	+15.0
Supersol op	595.0	23.5	+5.0
Land Development Building, Citrus			
Azorim r	805.0	31.5	+55.0
Azorim op A	1155.0	12.3	+15.0
Azorim op B r	710.0	19.7	+20.0
Azorim db 1	366.0	25.5	+22.0
Africa Isr 0.1 r	2410.0	.7	n.c.
Africa Isr 1.0 r	2410.0	.7	n.c.
Africa op 1	1730.0	2.4	+30.0
ILDC r	808.0	100.3	+20.0
ILDC b	805.0	23.3	+20.0
ILDC op A r	3750.0	1.0	+30.0
ILDC op B r	1615.0	25.5	+50.0
ILDC op 2	855.0	24.7	+25.0
ILDC db 3 r	988.0	.8	n.c.
ILDC db 4 r	1130.0	2.0	+35.0
HLB Realty 0.1 r	222.0	b.o.	+11.0
HLB Realty 0.5 r	160.0	216.6	+22.0
HLB Realty op	154.0	103.6	+22.0
Solel Boneh prf A	9500.0	2.0	+450.0
Solel Boneh prf B	9000.0	.9	+350.0
Prop & Bldg r	825.0	63.4	+10.0
Prop & Bldg op A	2585.0	.5	+30.0
Prop & Bldg op B	1320.0	7.0	+50.0
Prop & Bldg db 5	1225.0	1.4	+30.0
Bayside 0.1 r	600.0	18.6	n.c.
Bayside 0.5 r	565.0	39.5	+45.0
Bayside op	521.0	18.6	+57.0
Ispro r	309.0	72.1	+14.0
Isras r	2750.0	.9	n.c.
Mehadrin r	x1550.0	2.1	+140.0
ICP r	2310.0	—	—
Neot Aviv r	757.0	1.6	n.c.
pri Or r	890.0	.7	n.c.
Caesarea r	309.0	22.7	+17.0
Caesarea 0.5	287.0	28.0	+18.0
Caesaria op 1	233.0	14.1	n.c.
Rassco prf r	757.0	8.0	+26.0
Rassco r	529.0	11.7	n.c.
Industrials			
Urdan 0.1 r	449.0	19.9	+29.0
Urdan 0.5 r	419.0	4.8	n.c.
Urdan op 2 r	299.0	2.9	+6.0
Elbit 0.1 r	1266.0	6.5	+50.0
Elbit 0.5 r	1282.0	7.3	+60.0
Alliance r	—	—	—
Elco 0.1 r	1560.0	1.0	n.c.
Elco 0.25 r	540.0	14.4	+10.0
Elco 0.2 b	550.0	14.1	+15.0
Elco op A	729.0	3.2	n.c.
Elco db 1	338.0	8.5	n.c.
Electra 0.1 r	761.0	2.5	+21.0
Electra 0.5 r	540.0	11.3	+30.0
Electra db	580.0	1.7	—10.0
Electra db 2	295.0	13.1	n.c.
Elron 3	2785.0	46.1	+40.0
Elron op A	8812.0	b.o.	+192.0
Argaman prf r	373.0	5.0	+15.0
Argaman prf b	380.0	3.0	+20.0
Argaman r	350.0	9.6	+6.0
Argaman b	365.0	11.0	+15.0
Ata B r	280.0	17.3	+12.0
Ata C r	159.0	240.2	+6.0
Ata no dvd.	158.0	10.3	+8.0
Ata op 2 r	219.0	46.4	n.c.
Ata db 2 r	188.0	10.3	+4.0
Dubek prf r	1800.0	17.8	+100.0
Dubek prf b	1750.0	4.1	+60.0
Fertilizers r	890.0	33.5	n.c.
Cables r	236.0	7.1	+5.0
Cables b	232.0	4.1	+2.0
HaifaChem r	905.0	47.3	+30.0
HaifaChem no div	900.0	1.2	+35.0
HaifaChem op 2	1780.0	1.7	n.c.
HaifaChem db 1	815.0	13.2	+25.0
Teva r	1514.0	26.4	+138.0
Teva b	1575.0	b.o.	+75.0
Teva op	3014.0	3.2	n.c.
Teva db 2	834.0	31.0	+68.0
Zion Cables 1.0	379.0	17.1	+25.0
Zion Cables 5.0	280.0	59.2	+12.0
Zion Cables op 1	318.0	13.5	n.c.
Lodzia 0.1 r	846.0	3.3	+77.0
Lodzia 0.4 r	494.0	26.5	+14.0
Molett B r	1306.0	10.7	+40.0
Galil Ind	310.0	191.4	+21.0
Galil Ind. 1.0	333.0	72.0	+3.0
Galil Ind. 2.0	343.0	33.7	+5.0
Galil Ind.	119.0	129.3	+5.0
Man 1.0	220.0	15.3	+4.0
Man 5.0	[illegible]	16.6	+6.5
Phoenicia prf r	[illegible]	[illegible]	[illegible]
Dead Sea r	1430.0	19.9	+30.0
AIPM r	1300.0	16.1	+40.0
AIPM op A r	1540.0	4.6	+40.0
AIPM db 1 r	c800.0	3.0	+5.0
Assis r	650.0	4.0	+20.0
Assis db 1	725.0	.5	n.c.
Petrochem db 1 r	264.0	201.1	+15.0
Nechushtan b	1400.0	3.7	+150.0
Elite r	1102.0	20.6	+50.0
Elite op 3 r	1525.0	.5	n.c.
Elite sc 2 r	340.0	1.5	+50.0
Arad r	900.0	2.3	+80.0
Polgat 0.1 r	1430.0	4.5	n.c.
Polgat 0.4 r	1510.0	5.0	n.c.
Polgat op r	1390.0	2.4	+30.0
Polygon r	203.0	26.5	+5.5
Polygon op 1	185.0	11.1	+8.0
Rim 0.1 r	805.0	9.5	+70.0
Rim 0.4 r	607.0	5.1	+55.0
Schoellerina	505.0	59.5	n.c.
Schoellerina op	270.0	90.4	+10.0
Shemen prf r	3000.0	9.7	+223.0
Taal B r	182.0	51.0	+8.0
Taal B b	212.0	b.o.	+10.0
Frutarom r	278.0	27.5	+2.0
Investment & Holding Companies			
Elgar r	d1155.0	.5	—180.0
Elgar b	d1300.0	.2	n.c.
Elern r	1299.0	2.6	+29.0
Elern b	1335.0	5.6	+45.0
Amissar prf r	530.0	15.2	+25.0
Amissar op r	589.0	3.0	+25.0
Central Trade B r	1040.0	10.9	+85.0
Inv Paz r	580.0	21.8	n.c.
Inv Paz b	880.0	3.2	+10.0
Wolfson 0.1 r	2800.0	.5	+130.0
Wolfson 1.0 r	865.0	4.5	+15.0
Wolfson 1.0 b	845.0	b.o.	+40.0
Amp A r	1330.0	.3	+20.0
Disc Inv r	630.0	235.3	+20.0
Disc Inv b	620.0	63.4	+20.0
Disc Inv op A r	1930.0	3.5	+30.0
Disc Inv op B r	720.0	13.6	+63.0
Disc Inv op C r	—	—	+6.0
Disc Inv db 135 r	435.0	11.1	+18.0
Hapoalim Inv r	1170.0	31.3	n.c.
Hapoalim Inv b	1190.0	—	—
Hapoalim Inv op r	1640.0	3.1	+80.0
Leumi Inv r	830.0	20.7	n.c.
Jordan Explo A r	840.0	15.0	n.c.
Jordan Explo op r	3090.0	4.1	—60.0
Jordan Explo op 2	781.0	7.6	n.c.
Mizrahi Inv r	1810.0	2.6	n.c.
Mizrahi Inv b	1810.0	.4	n.c.
Clal Trade r	587.0	11.7	+30.0
Clal Trade op	750.0	43.2	+65.0
Clal Trade sc 1	265.0	25.8	n.c.
Export Inv r	1700.0	—	—
Export Inv b	1695.0	—	—45.0
Export Inv op	7982.0	2.6	+20.0
Koor prf r	2265.0	.8	+10.0
Clal RE r	249.0	b.o.	+12.0
Clal RE op A r	1320.0	3.4	+30.0
Clal RE db 1 r	587.0	—	+33.0
Clal Israel	1584.0	4.7	+144.0
Clal Ind's	896.0	118.9	+35.0
Clal Ind's op A r	787.0	10.9	+40.0
Clal Ind's db 5 r	390.0	3.9	+24.0
Landeco r	282.0	43.4	+12.0
Landeco op 1 r	275.0	27.0	+13.0
Oz Inv B r	329.0	10.5	+3.0
Oz Inv db	828.0	1.5	+48.0
Pama Inv r	300.0	38.0	+4.0
Piryon Inv B r	275.0	80.9	+3.0
Piryon op r	199.0	48.3	n.c.
Fuel & Explo.			
Oil Explo Paz r	491.0	92.6	n.c.
Oil Explo op r	355.0	56.9	—11.0
Fedoil r	891.0	3.2	—22.0
Naphtha r	354.0	.8	—200.0
Lapidot r	—	—	—
Lapidot b	—	—	—

New listings

Otz. Lataasiya d 80	875.0	19.2	—
Otz. Lataasiya op 1	665.0	7.1	+14.0
Amissar d	505.0	.5	—
Disc Inv op 1	451.0	18.7	—

Abbreviations:

s.o.	sellers only	n.c.	no change
b.o.	buyers only	r	registered
d	without dividend	b	bearer
c	without coupon	pref.	preferred
x	without bonus	op.	option
z	without rights	conv.	convertible
s.c.	subordinated capital notes		

These stock prices are unofficial.

Most active stocks

Leumi no div.	907	900.4	+2
IDB	1276	516.9	+3
Mizrahi R	805	357.8	+5
Shares traded		IS70.5m.	
Convertibles		IS4.1m.	
Bonds		IS42.4m.	

General Share index, up 1.3%, to 111.7.

New York Stock Exchange

NEW YORK. — The stock market took another tumble Friday as Wall Street received preliminary signals that interest rates may be about to reverse their recent decline. Citibank raised its brokers' call loan rate from 15 to 15½ per cent, while a Seattle-based bank raised its prime rate to 17½ per cent.

The DJIA closed at 994.78, down 10.98 points from Thursday's close, thus wiping out the remainder of Wednesday's 19-point gain. Although volume contracted to 47.4 million shares, breadth turned decidedly negative, with declining issues more than 2 to 1 ahead of gaining issues.

The five most active stocks were: Gulf United 23 (+1¾), Mobil 66¼ (—1¾), IBM 61¾ (—1⅜), Peabody 7½ (unch.) and Sony Corp. 18¾ (—¼).

After the close the Federal Reserve announced that money supply as measured by MI-A and ML-B had declined in the latest reporting week by 2.1 billion and 1.5 billion respectively. Business loans, however, showed a pick-up of about $750m.

Closing prices March 27

	Closing Prices	Change
Allied Chemical	52⅞	—¾
Aluminium Co. of America	35⅛	—⅞
Amerada Hess	36½	—⅝
Amer. Tel & Tel	51⅝	—⅜
Bally Manuf.	20	—⅞
Black & Decker	20⅜	—
Boeing	34⅛	—¼
Canadian Pacific	40⅞	—⅝
CBS	58⅛	—⅛
Chase Manhattan Bank	54½	+⅜
Coca-Cola	36⅞	—⅞
Colgate Palmolive	15⅞	—⅛
Columbia Pictures	43⅞	—⅝
Combustion Engineering		
Disney, Walt	58⅞	—1⅛
Dome Mines	80⅞	—1⅛
Du Pont I.E.	48⅛	—⅜
Eastman Kodak	80	—⅝
Exxon	69⅛	—⅛
Gen. Dynamics	33⅛	—⅝
Gen. Electric	65⅞	—⅛
General Motors	52⅞	—1⅛
Gillette	31⅛	—⅛
Goodyear	19⅞	—⅛
Gulf Oil Canada	24	—⅜
Hecla Mining	8½	—⅛
Hewlett-Packard	90⅛	—⅛
Homestake Mining	[illegible]	—1⅛
Houston Oil	49⅝	—1⅛
Hughes Tool	58⅝	—1⅝
IBM	61⅜	—1⅝
International Paper	49⅜	—⅞
Johns Manville	23⅜	—
Litton Inds.	72½	—1⅝
Lockheed	25⅞	—⅛
McDermott, J. Ray	35⅞	—1⅛
Minnesota Mining	53⅞	—1⅜
National Semiconductor	31⅝	—⅝
Pittson Co	25⅛	—⅜
RCA	26	—⅛
Ranger Oil	14⅛	—⅛
Revlon	43⅞	—⅝
Sears Roebuck	18⅝	—⅜
Spectra-Physics	33⅞	+⅛
Std. Oil Indiana	72	—1⅞
Tenneco	48⅞	—⅛
Texaco	38⅝	—⅛
TWA	23⅞	—⅛
Union Carbide	60⅝	—⅛
U.S. Steel	34⅛	—⅛
Westinghouse	30⅝	—⅝
Weyerhaeuser	38⅝	—
Woolworth	25⅞	—⅛
Xerox	56⅛	—1⅛
Israeli Shares		
*IDB Ordinary	3⅞	3
*IDB Prefd.	18⅛	19
Alliance Tire & Rubber Co.	7⅛	—
Etz Lavud	5⅛	+⅛
*Elscint	13⅞	+1⅛
*Scitex	22⅛	23⅛
Amer. Isr. Paper Mills	11⅝	1⅛
Elron	13⅛	13⅜

*Over the counter bid/asked prices

This selected list courtesy of ISRAEL DISCOUNT BANK

Comment, courtesy Albert Kaplan, Dominick & Dominick, Inc. Members New York Stock Exchange. 34 Ben Yehuda, J'lem. Tel. 242725.

Bond prices

100% Linked		
3602	158.1	n.c.
3603	139.6	n.c.
3604	112.0	+.1
4% Gov't develop. Group 1. Yield:	+1.00	
3001	2962.0	+8.0
3007	2803.0	+9.0
Group 7. Yield:	+1.25	
3020	2885.0	n.c.
3025	2030.0	n.c.
Defence loan 69.		
34 (Lamed Dalet)	2331.0	—
4% Gov't (80% C-o-L) Group 22. Yield:	+1.18	
3101	1371.0	+1.0
3106	1390.0	—3.0
Group 24. Yield:	+1.25	
3110	1307.0	—3.0
3112	1219.0	—6.0
4% Gov't (80% C-o-L) Group 42. Yield:	+1.69	
3210	1001.0	—5.0
3206	946.7	—5.1
6% Gov't (80% C-o-L) Group 62. Yield:	+1.62	
3501	878.1	—9.0
3504	768.0	—8.1
7% Gov't (80% C-o-L) Group 62. Yield:	+1.50	
3522	742.9	+9.1
3526	718.5	+8.7
Group 65. Yield:	+1.47	
3534	612.9	—5.8
3541	586.7	—5.5
Group 68. Yield:	+1.50	
3546	515.2	—2.0
3551	487.2	—2.0
Group 70. Yield:	+1.30	
3554	471.7	+.1
3557	450.1	n.c.
Gov't dbl-opts linked		
2001	734.0	+18.2
2015	645.9	+6.7
2033	461.7	+6.2
Dollar denom bonds		
Hollis 15	92.1	+.6
Hollis 20	89.4	+.6
Bonds 10% linked to foreign currency		
5.5% Gov't 8026	433.0	—
6% Isr. Electric Corp. B	2460.0	—32.0
5% Dead Sea Works	2200.0	—
Bonds 7% linked to foreign currency		
6005	461.0	—

UNITED MIZRAHI BANK LTD

Foreign Currency Rates for 29.3.81

Country	Currency		Buying (Cheques and transactions)	Selling (Cheques and transactions)	Buying (Banknotes)	Selling (Banknotes)
U.S.A.	Dollar	1	8.8774	8.9666	8.7900	9.0600
Great Britain	Sterling	1	19.8764	20.0762	19.6800	20.2900
Germany	Mark	1	4.1570	4.1988	4.1200	4.2400
France	Franc	1	1.7641	1.7819	1.7400	1.8000
Holland	Gulden	1	3.7679	3.8058	3.7300	3.8500
Switzerland	Franc	1	4.5689	4.6148	4.5200	4.6600
Sweden	Krona	1	1.9111	1.9303	1.8700	1.9500
Norway	Krone	1	1.6311	1.6475	1.5900	1.6600
Denmark	Krone	1	1.3230	1.3363	1.2900	1.3500
Finland	Mark	1	2.1707	2.1925	2.1200	2.2200
Canada	Dollar	1	7.4747	7.5498	7.3400	7.6300
Australia	Dollar	1	10.3182	10.4128	9.8500	10.6300
South Africa	Rand	1	11.1011	11.2127	8.7200	11.8100
Belgium	Franc	10	2.5438	2.5692	2.4700	2.6000
Austria	Schilling	10	5.8771	5.9361	5.8200	6.0000
Italy	Lire	1000	8.3670	8.4510	7.3700	8.5600
Japan	Yen	1000	41.9735	42.3952	41.5600	42.8400

"Dollar Paz" and "Euro Paz" Buying and Selling rates for 29.3.81

		Buying	Selling
"Dollar Paz"	1 unit	30.2259	30.5296
"Euro Paz"	1 unit	41.6367	42.0551

Interest rates (%)* for non-resident deposit accounts (Patach) and Israeli resident deposit accounts (Patam) for 29.3.81

		Patach 3	Patach 6	Patach 12	Patam 3	Patam 6	Patam 12
		period — no. of months					
U.S.A.	Dollar	14⅝	14⅝	14⅜	12¼	12⅞	12⅞
Great Britain	Sterling	12⅞	11⅞	11⅞	10⅝	10½	10⅜
Germany	Mark	11⅝	11⅛	11	10⅛	9⅞	9⅝
Holland	Gulden	9⅝	9⅝	9⅞	8⅛	8⅝	8⅝
Canada	Dollar	15⅛	15	14⅜	14⅛	13⅞	13⅛
France	Franc	11⅛	11⅞	12⅝	10⅜	10⅝	11⅝
Switzerland	Franc	7¼	7⅛	7¼	5⅝	5⅜	5⅝
"Dollar Paz"		13¼	13⅛	12⅞	11⅝	11⅛	11⅝
"Euro Paz"		11⅝	11⅛	11⅝	10¼	10¼	10¼

UNITED MIZRAHI BANK LTD

THE JEWISH AGENCY
ISRAEL EDUCATION FUND of the United Jewish Appeal

TENDER No. 81/373/81

1. The Jewish Agency (hereinafter "the Agency") invites tenders from building contractors for the construction of a LIBRARY IN SHIMSHON QUARTER, ASHKELON, WITHIN THE FRAMEWORK OF PROJECT RENEWAL
2. The projected construction is on a total construction area of approximately 410 sq.m.
3. Conditions of the tender, as well as all other pertinent information, can be obtained from Monday, March 30, 1981 from the Agency, 17 Kaplan Street, Tel Aviv, room 717 between 8.00 a.m. and 1.00 p.m., against a non-refundable deposit of IS 40.
4. A special tour of the construction site for contractors will be held on Sunday, April 12, 1981, departing at 9 a.m. from the Chief Engineer's office at the Ashkelon Municipality.
5. Bids should be submitted not later than 1.00 p.m. on Wednesday, April 29, 1981 at the address mentioned in paragraph 3 above.
6. Conditions of payment, in cash, to be arranged according to the contract to be signed.
7. This tender is open only to contractors registered in accordance with the Act regarding Registration of Contractors for the execution of Engineering and Construction Works 1969, such contractors to abide by requirements of the Act and to be eligible to carry out the works as specified.
8. The Agency does not undertake to accept the lowest, or any other bid.

THE JEWISH AGENCY ISRAEL EDUCATION FUND

TENDER No. 81/372/81

1. The Jewish Agency (hereinafter "the Agency") invites tenders from building contractors for the construction of the FRANKENTHAL LIBRARY in GEDERA.
2. The projected construction is on a total construction area of approximately 640 sq.m.
3. Conditions of the tender, as well as all other pertinent information, can be obtained from Sunday, April 5, 1981 from the Agency, 17 Kaplan Street, Tel Aviv, room 717 between 8.00 a.m.-1.00 p.m., against a non-refundable deposit of IS 50.
4. A special tour of the construction site for contractors will be held on Tuesday, April 14, 1981, departing at 9 a.m. from the Gedera Local Council.
5. Bids should be submitted not later than 1.00 p.m. on Wednesday, May 6, 1981, at the address mentioned in paragraph 3 above.
6. Conditions of payment, in cash, to be arranged according to the contract to be signed.
7. This tender is open only to contractors registered in accordance with the Act regarding Registration of Contractors for the execution of Engineering and Construction Works 1969, such contractors to abide by requirements of the Act and to be eligible to carry out the works as specified.
8. The Agency does not undertake to accept the lowest, or any other bid.

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FOREIGN CURRENCY 27.3.81
Friday's foreign exchange rates against the Israel Shekel, for U.S. dollar transactions under $3000, and transactions in other currencies under the equivalent of $500.

	Selling	Buying
U.S.$	8.9657	8.8783
DM	4.2028	4.1619
Swiss Fr.	4.6179	4.5729
Sterling	20.0854	19.8896
French Fr.	1.7824	1.7651
Dutch Fl.	3.7950	3.7580
Austrian Sch. (10)	5.9121	5.8545
Swedish Kr.	1.9533	1.9343
Danish Kr.	1.3337	1.3207
Norwegian Kr.	1.6377	1.6043
Finnish Mark	2.1932	2.1718
Canadian $	7.5804	7.5065
Rand	11.2049	11.0956
Australian $	10.4657	10.3636
Belgian Fr. (10)	2.5583	2.5334
Yen (100)	4.2361	4.1948
Italian Lire (1000)	8.4463	8.3639

INTERBANK LONDON SPOT RATES:

U.S.$	2.2350/70	per £
Swiss Fr.	1.9440/60	per $
DM	2.1350/80	per $
French Fr.	5.0425/75	per $
Italian Lire	1062.75/75	per $
Dutch Fl.	2.3650/80	per $
Norwegian Kr.	5.4720/70	per $
Danish Kr.	6.7200/50	per $
Swedish Kr.	4.5875/25	per $
Yen	212.00/40	per $

FORWARD RATES:

	1 mon.	3 mos.	6 mos.
$/£	2.2381/406	2.2480/507	2.2640/675
DM/$	2.1310/345	2.1226/262	2.1018/060
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London second fixing 27.3.81

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(per ounce)

The Commodity Futures Markets

Commodity closing prices

COMMODITY	COMMODITY CLOSING		PRICES	Change
Aluminium*	653	641	650	—2
Copper*	868	846	868	+16
Lead*	339	327	339	+7
Nickel*	2820	2780	2820	+.15
Tin*	6280	6185	6280	+.75
Zinc*	364	345	364	+13
Gold**	539.50	526	538.75	+22
Silver(°)	607	601	603	+5
Cotton***	87.85	86.37	86.37	—1.68
Coffee****	1064	1049	1050	+20
Sugar****	248.00	241.20	241.20	+3.70

* Pounds Sterling/tonne, 3 month beds. ** Dollars/troy oz. *** Cents/lb., May contract. **** Pounds Sterling/tonne, May contract.
(°) Pence/troy oz.

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THE JERUSALEM POST

Erwin Frenkel
Editor

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Adar B 24, 5741 • Jamadi Awal 24, 1401

Soviet invasion threat

THE PUZZLE of Poland during recent months has been not so much the astonishing spread and growth in Solidarity's power throughout the country, as the abstinence of the Soviet Union from outright military intervention "in defence of socialism." However, a confrontation now finally seems to be on the cards.

From the Kremlin's point of view the challenge being mounted by Lech Walesa and his friends poses a far graver danger than that engineered by the Hungarian communists in 1956 and by the Czechs in 1968. For while the government in Warsaw remains nominally loyal to Big Brother, Polish national allegiance is in a true sense now being owed to Solidarity, both urban and rural, and not to the domestic communist party.

So far the Polish free trade union movement has not openly defied the principle of the party's hegemony in the running of the country, but only in the actual administration of the unions themselves. But the internal dynamics of political development have been working in that direction — even if some younger, radical elements — "foreign agents" in the Kremlin's lexicon — had not been deliberately seeking to push the movement that way.

To take this lying down would mean, for the Kremlin, to imperil the *jons et origo* of communist rule, both within Soviet Russia and throughout the Soviet empire. Therefore, if the hurriedly advanced meeting of the Polish Communist Party's central committee should fail to mollify workers outraged by the brutal secret-police attack on their Solidarity comrades in Bydgoszcz last week, and a general strike is held tomorrow, the Russians may start moving in.

To be sure, they do not have to move in literally, for they are already there. Under the Warsaw Pact they have their permanent bases in Poland, the main purpose of which is to prevent the country from deserting communism and subservience to the Kremlin rulers. Besides, Poland is right now the staging theatre for Warsaw Pact maneuvers in which Russians, Czechs and East Germans are taking part alongside the Poles.

These maneuvers have been prolonged due to "the seriousness of recent events" within Poland, Mieczyslaw Rakowski, the deputy premier in charge of relations with Solidarity, informed Lech Walesa. A thicker hint could hardly be imagined — and it was doubtless this that prompted Solidarity's leader to resist the more intemperate advice of his own hotheads.

Soviet forbearance from military action so far must have reflected Soviet faith in Warsaw's ability to overcome the internal crisis by itself, less than awareness of the heavy price that might have to be paid for such action — far heavier, in all likelihood, than in 1956 and in 1968.

Not that it should be too difficult to find again some local lickspittle who would again appeal to Moscow for "fraternal aid" to put down a "rebellion" by domestic "fascists." But the Soviets should have a pretty hard time ruling Poland in the face of the unprecedented phenomenon known as Solidarity. Although it is mostly flatland, occupied Poland could resemble embattled Afghanistan rather than Hungary or Czechoslovakia at one time.

Moreover, the occupation of Poland, no matter under what formula, would be the death knell of the already moribund detente, if it did not lead to Western military counter-action of any consequence.

Yet there are signs indicating that the Soviet Russians are now actively courting a confrontation. Perhaps they have decided that it is better to lose patience than Poland. In any case it appears that the Bydgoszcz affair was not the impulse-ridden work of some lower echelon officers, but a well-planned and premeditated assault which took advantage of the absence from Warsaw of both Party Secretary-General Stanislaw Kania and Prime Minister Wojciech Jaruzelski.

It was of a piece, so it seems, with the anti-Semitic provocation staged in Warsaw three weeks earlier when the claim had been made that Poland's virtually nonexistent Jews were in control of Solidarity. It was the Kremlin on a rampage.

Marred basketball victory

THE COUNTRY cried for joy when Maccabi Tel Aviv trounced Sinudyne Bologna, even though by just one point, to retake the European Cup for basketball Thursday night. The entire country felt as though it had been represented at that game.

Unfortunately, Maccabi was not Israel's only representative there at the time. Reports filtering back from the scene of the sporting event speak of the hordes of Israeli fans who had descended on Strasbourg, and of their behaviour before, during and after the game. The some two million Israelis who followed the game on television witnessed the wild and unruly conduct of the Israeli fans in Strasbourg at the end of the game which made it impossible to hold a proper cup awarding ceremony and marred the victory. It was conduct which has inspired the soubriquet, the Ugly Israeli.

Now there may be talk about the need for improved public relations, in an effort to contain a contagion felt by all of us. But will any thought be paid to the need to attack the problem at grass-roots level?

Meanwhile, cry, and cheer, *again*, the beloved country.

What went wrong with the economy

RICHARD ABLIN, in the first of two articles, offers an explanation for the failures in Israel's economic policy since 1973.

ISRAELIS ARE among the world's most battered citizens in matters of economic policy. They have heard so many confused explanations, particularly by government officials, of why they must put up with an assortment of economic evils and they have been treated to so many exploded forecasts, usually by the same officials, that they may be excused for closing their ears to anything that purports to be an expert opinion.

Unfortunately, however, there is no substitute for listening and appraising. Here, then, is one more summary appraisal — another "expert" opinion — of what has been going wrong with the Israeli economy since 1973.

Until the early 1970s, Israeli economic policy was marked by certain basic strengths and by certain habitual, although relatively minor, errors. The mistakes consisted mainly of the distortion of relative prices by means of protective trade barriers and wildly unequal rates of indirect taxes on different goods.

Trade barriers arose for the most part out of good, but ill-considered, motives. They were meant to provide employment at home, to encourage local production — though also, in some cases, to protect vested interests. Their result, however, was to reduce the efficiency of productive resources, as well as available personal income.

The incredibly high taxation of modern consumer durables (by 150 to 250 per cent) was largely motivated by primitive ideas of the nature of luxury. Now a car may seem like a luxury until it is realized that it represents a quite reasonable alternative to bus transportation. Modern stoves, refrigerators or television sets appear ridiculously cheap for the services they render. Finance Minister Yoram Aridor's recent cutting of purchase taxes on several of the main durables may represent the first breakthrough towards official recognition of the long-obvious case against these mountainous indirect taxes.

Information published by the Union Bank of Switzerland shows that of 38 countries surveyed, the relative price of household durables and automobiles in Israel was in 1979 (and no doubt last year as well) by far the highest, while our relative price of food — due to subsidization — was the lowest.

These distortions had a deplorable effect on Israel's economic life in more ways than one. But it would still be wrong to ascribe too much importance to them. Their cost was, in fact, small compared with the gains achieved by the high growth rate of the gross national product.

THE GREAT strengths of economic policy until the 1970s were capital formation, immigration, and an expansion of aggregate real demand which kept up with potential output growth yet contributed only modestly to inflation. Indeed, this demand expansion was the primary condition for the high growth rate of both capital and labour and, hence, the high rate by a more judicious system of investment subsidization.

In the course of this development, our real wage rate was only intermittently too high to permit full employment (for example, after mass immigration in the mid-1950s and again in 1966).

These economic strengths were lost during the 1970s. Firstly, we permitted an irresponsibly high rise in the money supply from 1971 to 1973 that thoroughly undermined the structure of price stability built at high cost in the recession of 1966-67. The excuse was the need to finance budget deficits or to absorb (against outpayment of Israeli currency) inflows of foreign currency. It was a poor excuse.

Then, alarmed by the steep rise of our import costs at the end of 1973 (a problem faced by most of the industrial world), the government from 1974 to 1977 adopted a policy of tighter money combined with persistent cost-push shocks to produce stagnation of real demand — and hence of real growth.

We thus experienced a long recession of real growth without even the normal benefit of a downtrend in price inflation.

True, this led to some reduction in the trade deficit, which indeed was the chief goal of the entire policy. But this might have been accomplished with far less damage by a higher "real" devaluation, with an incomes policy designed to restrain the inflationary effect.

Or it might have been rendered unnecessary by the encouragement of larger capital imports through normal GNP growth and higher interest incentives.

AS WE CONTRIVED it, growth was long kept far below the earlier potential trend of about 10 per cent a year. And thus was combined with such more-or-less "structural" changes as large increases in unemployment and other welfare benefits.

The result, it seems, was to reduce our *potential* growth rate. (Much of this reduction, though, is probably of a short- or medium-run character, so that a sustained rise in real demand would reverse it over a period of, say, three years.)

By 1977, the shrinkage of Israel's trade gap led to fresh monetary expansion — by way of an increased supply (and a faster circulation) of money. This is indeed the automatic consequence of any system in which the central bank seeks to predetermine the exchange rate. For whenever the net demand for foreign currency goes down, the central bank must reduce its net sale of foreign currency and thus "mop up" less domestic money.

Some monetary expansion was also caused — even before the 1977 liberalization — by the central bank exercising its traditional role of supplying whatever new money the treasury needed to cover its current deficit after the sale of bonds and subsidized export credit. The resulting rise in "real" money laid the groundwork for a recovery of real demand growth — and that duly arrived, with a predictable lag of one year, during 1978. The recovery, therefore, was more accidental than intentional.

IN THE MEANTIME came the currency liberalization of 1977. It very sensibly relaxed the restrictions on convertibility and undid the complex system of differential export premiums; but it also entailed several errors. One error was to administer a new major cost-push shock.

Export premiums were eliminated. But this reduced the profitability of exports. So it became necessary to "manage" a rise in the "floating" exchange rate that would be sufficient to keep export receipt slightly above the old effective rates. The result was a 25 per cent rise in the effective exchange rate for *imports*.

This boost in costs could have been avoided if import tariffs had been cut in proportion to the elimination of the export premiums. Or it could have been avoided by simply accepting a somewhat lower market exchange rate which would have developed without either tariff cuts or exchange rate management.

The procedure actually adopted created a higher average protection of inefficient import substitutes, gave a major new cost-push to the inflationary spiral, and massively raised the Israel pound-value of all financial assets denominated in foreign currency.

FROM THE standpoint of our major recent economic ailments — raging inflation, normal real growth, full employment and normal net aliya — the most serious of the effects was the cost-push shock. This, in turn, helped to en[illegible] restrained wage incre[illegible] 1978 and early 1979.

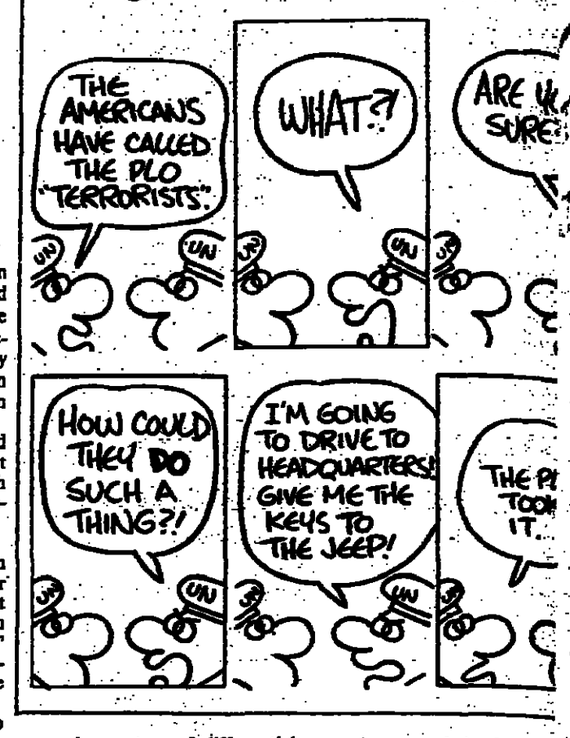
However, an even [illegible] inflationary developme[illegible] tionally followed the [illegible] This was the creation [illegible] new form of near-mo[illegible] Patam accounts. Pat[illegible] grew at a dizzying rate [illegible] in large measure at the [illegible] older forms of deposit[illegible] cial assets, including [illegible] Because at the same [illegible] growth rate of money pr[illegible] ly fell, the extent of it[illegible] expansion due to the [illegible] counts was not fully an[illegible] the time.

As one who shared [illegible] early recognition, I wo[illegible] in retrospect, that mone[illegible] roughly doubled from a [illegible] 40 per cent to about 8[illegible] 1978. This almost certai[illegible] the backbone (although [illegible] fat and muscle) for the [illegible] acceleration of inflation [illegible] 1980.

By contrast, the g[illegible] real fiscal deficit (or le[illegible] surplus), although high[illegible] actually moved along [illegible] since 1977. Such was [illegible] one year after the 197[illegible] tion.

Dr. Ablin is a senio[illegible] researcher in the public [illegible]

Dry Bones



BEERSHEBA

(Continued from Page 2)

although hundreds go there daily.

The spokesman for the religious affairs ministry told *The Jerusalem Post* that several times during the past ten years the government has asked the municipality to remove the museum from the site, but without success.

Beersheba's mayor, Eliyahu Nawi, could not be reached for comment yesterday, but the head of his bureau, Arieh Marcus, said the municipality will not move the museum. The building has served as a museum for many years and the people who prayed there last Friday are not Beersheba residents.

Marcus claimed that Friday's service had been a "provocation," alluding to the fact that el-Okbi is chairman of the newly formed Association for Support and Defence of Beduin Rights in Israel.

The Beduin have "places to pray" wherever they live, Marcus continued. But el-Okbi maintained there is only one mosque in the area, at Rahat near Kibbutz Shoval, and it can accommodate only 100 worshippers. This was confirmed by Moshe Ben-Haim, deputy head of the Moslem Department at the ministry.

SPEER

(Continued from Page 2)

the only person who ever stood up for Jews in an argument with Hitler at his mountain retreat in Berchtesgaden, Speer wrote.

"She had to leave the mountain home the same night," he said. "Hitler never received the Schirachs again."

Despite this, Speer said he and several other top Nazis tried to save Jews from the concentration camps, although he admitted this was only because they needed Jewish labour for the war effort. The resistance was enough to anger fanatical anti-Semites like Propaganda Minister Josef Goebbels, Speer wrote.

Although top Nazis won reprieves for Jewish labourers needed for the war effort, Speer said all finally proved powerless to halt the "radical extermination of Polish Jewry." He quoted a letter from Himmler outlining this aim as "the wish of the Fuehrer."

"This formulation is one of the proofs that Hitler not only approved of the murder of all Jews but order it himself.

"A 'wish' of Hitler's was generally interpreted by the hierarchy as an order dressed up in friendly form," Speer wrote.

READERS' LETTERS

PILLAR OF FIRE

To the Editor of The Jerusalem Post

Sir, — I was absolutely dumbfounded by part 11 of the TV series, "Pillar of fire," which was screened on March 17: not a word was mentioned of the fact that 1941 was the year in which the Palmach was founded — the shock troops of the Hagana enrolled for work and training in the framework of the kibbutz movement. The omission of the creation of this key force to Hebrew defence in Eretz Yisrael is a crying shame, especially this year, 1981, which marks the 40th anniversary of the foundation of the Palmach.

If this omission is indicative of the contents of future chapters of "Pillar of fire," it would be better to stop the screening of the film, as we don't need an additional smokescreen to blur our perceptions of modern culture.

COL. (Res.) DR. MEIR PA'IL

Tel Aviv.

LITTER

To the Editor of The Jerusalem Post

Sir, — On the 9 p.m. news of March 15, it was interesting to see the prime minister's chauffeur toss litter out the car window before driving off with his passenger.

DR. DAVID L. GOLD

Haifa.

KING DAVID HOTEL JUBILEE

To the Editor of The Jerusalem Post

Sir, — The year 1981 marks the 50th anniversary of the King David Hotel. We are planning a year-long celebration commencing at the end of this year through to the end of 1982. We are planning many events, among which publication of a special book containing articles which have appeared over the years in newspapers about the King David. There will also be an exhibition of articles and memorabilia.

We would appreciate it if readers who have such material, photographs, articles, etc. would send them to me at the Dan Hotel Corporation, P.O.B. 3219, Tel Aviv. If they have articles of value, they will, of course, be returned.

ARNOLD EPSTEIN
Marketing Coordinator
Dan Hotels Corporation

Tel Aviv.

MILITARY JUSTICE

To the Editor of The Jerusalem Post

Sir, — In his letter of March 20, U.S. Army captain Jonathan Klein closes his defence of military justice and the sentencing of Gad Elgazi by stating, "perhaps it [Elgazi's sentence] will also help undo the damage done to discipline by Chief of Staff Eitan when he reduced the already lenient sentences handed down to several soldiers for the murder of prisoners, which is a war crime."

I find this rather difficult to swallow. How will the rigid discipline applied to Pvt. Elgazi possibly deter those who would commit war crimes, when they see such leniency extended to others convicted of similar crimes? On the contrary, it will only reinforce the notion in our soldiers that only certain types of breach of discipline are culpable crimes.

Rather than "undo the damage," such inconsistency is likely to deepen the suspicion [illegible] derlies much of the ou[illegible] the treatment of Pvt. [illegible] our military justice is in[illegible] political considerations [illegible] have no place in the ar[illegible]

DANNY [illegible]

Jerusalem.

ED. J.P. — The Chief [illegible] since reduced Elgazi's ori[illegible] sentence to six months an[illegible] the remainder for a per[illegible] years.

LABOUR ZIONIST FORUM

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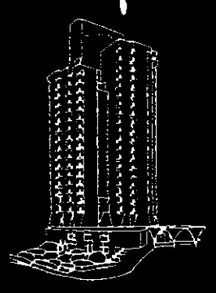

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THE ECONOMIST
March 28, 1981
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Six page survey.
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